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NEWS SUMMARY

GENERAL

Build-up of Front forces in camps

More than 3,000 of an estimated 16,000 guerrillas of the Patriotic Front were reported to be in assembly camps five hours before the Rhodesia ceasefire deadline expired at midnight.

Officials said that all guerrillas outside assembly places after the deadline would be regarded as unlawful, although they would be treated "sensibly." This suggested the assembly process may continue informally in the next few days.

In one of the worst acts of political violence in the early election campaign, a rifle-launched grenade was fired into the home of a member of Robert Mugabe's Zanu wing of the Patriotic Front.

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Adamson tragedy

Joy Adamson, 69, author of Born Free, which told the story of the hand-reared lioness Elsa, has been mauled to death by a lion in Kenya.

Men feared lost

Three men were feared drowned after the fishing boat Bounteous from Buckie, Scotland, sank near Land's End. Three other crew members were rescued. Another Buckie boat, Ocean Monarch, was lost with all hands three weeks ago.

Rugby tour 'on'

The British Lions rugby tour of South Africa in the summer will almost certainly go ahead after the English Rugby Football Union announced its support for the visit. Ireland, Scotland and Wales are known to favour it.

India poll probe

India's election commission ordered an investigation into complaints of voter intimidation and poll rigging in Premier Charan Singh's constituency.

Iran ideas

UN Secretary-General Kurt Waldheim said on U.S. television that he had worked out some concrete ideas which he hoped would help settle the crisis over the American hostages in Iran. Rivals clash in Iran, Page 2

Kelly decision

The Director of Public Prosecutions decided that Merseyside police would not face criminal proceedings over the death in their custody of 53-year-old labourer James Kelly. He died last June after his arrest following a drinking spree.

Vietnam warning

Vietnam accused China of increasing provocation along the border and said that war could break out at any time.

England flounder

England closed at 90 for seven on the opening day of the second cricket Test against Australia at Sydney. The conditions were muddy and Australian captain Greg Chappell said "the test was virtually reduced to a toss of the coin."

Briefly . . .

Attempts were being made to identify the bodies of a man and woman found drifting on a liferaft in the Channel.

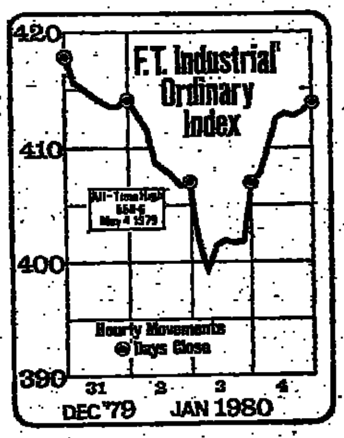
Boeing 747 of Japan Air Lines returned to Tokyo's Haneda Airport when it developed engine trouble after take-off.

Semi-retired salesman Jerry Sommer won the world's biggest slot machine jackpot of $300,000 at a Las Vegas casino.

BUSINESS

Equities firmed to close 7.0 up

● EQUITIES were firm on a reported peace initiative in the steel dispute though trade was spasmodic. The FT 30-share index closed 7.0 up at 413.9.



● GOLDS followed the fall in bullion and the FT Gold Mines index dropped 22.9 to close at 280.2.

● GILTS eased before moving forward and the Government Securities index rose 0.59 to 65.09.

● GOLD fell $40 an ounce in London to close at $590.

● DOLLAR closed at DM 1.7110 (DM 1.7105) and its trade-weighted index eased to 84.4 (84.5). STERLING fell 25 points to close at $2.2375 and its trade-weighted index was 70.3 (70.5).

● WALL STREET was 7.16 up at 827.47 near the close.

● PAY TALKS between BL and union negotiators were adjourned following disagreement over productivity proposals.

● LONDON Transport chairman Ralph Bennett has been given until the end of the month by the GLC to explain an auditor's report on waste and extravagant spending in LT. Page 4

● HOGG Robinson Group, the insurance broker with large Lloyd's of London interests, may take over the insurance interests of H. Clarkson (Holdings) in a deal which could be worth over £6m. Back Page

● CITY of London office rents should continue to rise this year regardless of what happens in other sectors of the property market, chartered surveyors St. Quintin said. Page 17.

● NORTH SEA Assets' institutional shareholders continue to press ahead with their efforts to exert control over the board. Page 16

● BEN LINE, the private Scottish shipping group, is negotiating the purchase of an $18m (£8m) drill ship from Atwood Oceanics. Page 3

● NEDLLOYD, the Dutch transport and shipping company, and P & O of the UK are to buy out their two partners in their North Sea Ferries subsidary. Page 19

● FEDERAL Combines Office has started a preliminary study of Thomson Newspaper's C$139m (£50m) bid for FP Publications, owners of the Toronto Globe and Mail. Page 19

● CATHAY PACIFIC Airways, the Hong Kong based airline, has been granted the licence to fly between Hong Kong and Shanghai and Peking. Page 3

COMPANIES

● BOOKER McCONNELL, the international food, engineering and trading group, is paying £16m for Kearley and Tonge, the loss-making wholesaling side of International Stores. Page 16

● TYCO Laboratories of the U.S. has increased its stake in Muirhead, the British electrical concern, and now owns 14.1 per cent. Page 16

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES:

Exch. 8¾pc 1983	£85⅞	+ 1⅛
Exch. 12pc 2013-17	£86¼	+ 1⅛
Bank of Scotland	288	+ 13
Corinthian	30	+ 4
Cropper (J.)	100	+ 12
Dunlop	56	+ 4
Fisons	262	+ 5
GEC	335	+ 7
Grindlays	126	+ 8
Hammerson "A"	715	+ 20
ICI	358	+ 4
NatWest Bank	338	+ 6
P & O Defd.	116	+ 5
Racal Electronics	190	+ 15
Ratners (Jewellers)	58	+ 8
Staveley Inds.	164	+ 6
Utd. Biscuits	81	+ 4
Vickers	106½	+ 7
Wilkinson Match	148	+ 12
Aran Energy	228	+ 32
Century Oils	128	+ 7
Silkolene Lubcnts.	148	+ 5
Silvermines	90	+ 12

FALLS:

Barlow Rand	340	− 25
BH Prop.	600	− 20
Howard Tenens	62½	− 3½
Anglo Amer. Corp.	640	− 70
Anglo Amer. Gold	£38½	− 5½
Blyvoor	531	− 71
Buffels	£12¾	− 1¾
Harmony	745	− 75
Kinross	467	− 40
Kloof	£11½	− 1
Lennard Oil	60	− 20
Lydenburg	132	− 21
Rustenburg Plat.	254	− 21
Samantha	54	− 10
Tanks	252	− 16
Western Deep	£16⅛	− 2¼
Zandpan	440	− 56

Carter to order cut in Soviet embassy representation

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

President Carter will order the Soviet Union to reduce its embassy staff in Washington and will reduce U.S. diplomatic representation in Moscow in a further escalation of the crisis in relations between the world's two major powers, brought on by the Soviet invasion of Afghanistan.

This, Administration officials agreed, was to form part of a package of retaliatory measures the President was expected to announce in a national television announcement last night following a further round of consultations with his senior advisers.

The President is also likely to pay some attention to commercial relationships. He is said to be angered by Intelligence reports that trucks made at the Kama River plant, built with U.S. assistance, were used in the invasion of Afghanistan.

Specifically, he may bar Soviet ships from key American ports, suspend or reduce civil aviation between the two countries, and generally discourage trade contacts. Any approach to Congress to ask that the Soviet Union be granted most favoured nation trading status is now out of the question.

However, Mr. Jody Powell, the Presidential Press secretary, said yesterday morning that no final decision had been taken on a possible embargo on future Soviet purchases of American grains. On Thursday, presumably anticipating such a ban, the Soviet Union bought 3.8m metric tons of U.S. corn and wheat.

A ban on the sale of grains would be politically controversial in the run-up to the first Presidential selection process, the party caucuses in Iowa a farm state set for January 21. The powerful farm lobby generally disapproves of using grains as an international political weapon.

On the diplomatic and military front Mr. Carter will as reported aske Congress to lift its ban on military shipments to Pakistan whose integrity the U.S. is committed to defending. Congressional leaders have said they would be receptive to lifting the embargo only imposed earlier this year because of Pakistan's attempt to build a nuclear bomb partly because U.S. arms might then be channelled to assist Afghan insurgents.

The Pentagon also announced that Kenya, Somalia and Oman were willing to offer the U.S. use of their military facilities if requested. Both Egypt and Israel have made similar standing offers and there is a fair chance that the U.S. would place at least some officials in the Sinai air bases, handed over by Israel to Egypt earlier last year.

The State Department also announced yesterday that a

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Nurses and midwives get 19.6% pay rise

BY GARETH GRIFFITHS, LABOUR STAFF

PAY INCREASES averaging 19.6 per cent have been awarded to the 491,000 nurses and midwives in the National Health Service. The increases follow recommendations by the Clegg pay comparability commission, which was accepted by the Government yesterday.

The first stage will be backdated to August 1 last year, and the second paid from April 1. Nurses and midwives have already received £2.50 per week for qualified staff and £2 a week for unqualified since their settlement last April on account of the award.

Pay increases range from 25 per cent for ward sisters to 4.3 per cent for some auxiliaries. The cost of the two-stage package is £311m a year, or 19.3 per cent of the current pay bill, excluding payments made on account.

Special duty payment scales will be increased, although emergency standby payments will be reviewed in the forthcoming report on professions supplementary to medicine. Salaries for nursing staff at the higher grades of regional, area and divisional nursing officers will not be increased.

The commission expressed strong concern over the relative decline in nurses' pay in the five years since the Halsbury award in 1974. In its report, it suggests to the Whitley Council, the NHS pay negotiating forum, that "this consideration be kept firmly in mind in future negotiations."

The report says the commission is not yet in a position to make a general recommendation on the protection of the value of its awards. It will, however, return to the issue later this year, although at a Press conference yesterday Professor Hugh Clegg again ruled out any form of permanent indexation.

Professor Clegg said the findings were based on a factor analysis of the work nurses and midwives carried out. It had been impossible to do a comparability study on a job for job principle. Instead jobs used in the analysis included managerial, technical and administrative grades with very few manual workers. He was hopeful the rates rates would increase the level of nursing recruitment.

The Royal College of Nursing described the findings as "at best disappointing" and "in parts devastating." It was particularly critical over the lack of recommendations on protecting nurses' relative pay and the lack of increases for the higher scales.

The management side of the Whitley Council last night welcomed the report and announced both sides would meet on Tuesday to discuss its implications.

Clegg Report, Page 4

New £1bn short-dated gilt to be offered next week

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

A NEW £1bn short-dated gilt-edged stock is to be offered for sale by tender by the Bank of England next week.

The issue of 14 per cent Exchequer 1984 is principally being made to contribute to the refinancing of two stocks which mature in the next few months.

A secondary aim is to have a short tap available in the market if demand for gilts should pick up. This would be in addition to the long tap — £1bn of 14 per cent Treasury 1998-2001 — of which a sizeable amount is still unsold.

The new 1984 stock will be fully paid on subscription. At the minimum tender price of £96.50 per £100 nominal of stock the flat yield is 14.51 per cent and the gross redemption yield is 15.13 per cent. Lists close on Thursday since there is a call on the partly paid long tap on Wednesday.

The stocks which the new issue will help to refinance are nine per cent Treasury Convertible 1980 maturing on March 3 and 9½ per cent Treasury 1980 maturing on May 14.

Holders of the Convertible stock have the option of converting into nine per cent Conversion 2000 but this is extremely unattractive. Holders are being offered £110 nominal of the 2000 stock for £100 of the existing issue but a similar amount could be bought for roughly £75 in the market.

Indeed, the Bank of England is openly suggesting that holders should consult their professional advisers about the advisability of conversion.

The announcement of the issue made little impact on the gilt-edged market yesterday where prices rose in volatile trading conditions. Long-dated stocks rose by up to 1¼ and shorts by up to 13/16, in both cases ¼ below the best for the day. The market is regarded as somewhat artificial and unsettled with little sign of underlying demand.

This is partly because of international influences, but also because of uncertainties about the speed with which the money supply will come under control.

The market expects that the December banking figures, due to be published on Tuesday, will indicate only a small rise in the money supply. But there is some apprehension that the current banking month may be less favourable as there are reports that tax revenues are not coming into the Government on as large a scale as seasonally expected.

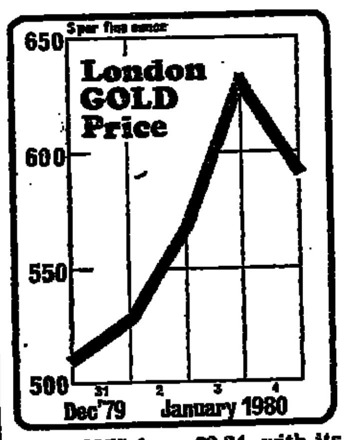
Gold fever cools to $590 in London

By David Marsh in London and Robert Mauthner in Paris

THE PRICE of gold dropped $40 to $590 an ounce in London yesterday as speculative fever cooled after the jump of more than $60 on Thursday. The dollar rallied on the foreign exchange market to finish slightly higher without central bank help.

On the foreign exchange market, the dollar gained to DM 1.7110 from overnight DM 1.7105, although it was off the day's high of DM 1.7180. The West German Bundesbank, which gave substantial support to the U.S. currency on Thursday, did not intervene yesterday.

The dollar also gained to Sw Fr 1.5775 from Sw Fr 1.5710. Sterling lost ground



to $2.2375 from $2.24, with its trade weighted index down slightly to 70.3 from 70.5.

The yen, however, strengthened following news that several Japanese oil companies had, together with Shell and BP, signed oil supply contracts with Iran. It reached Y234.50 to the dollar against Y238.20 overnight.

In Paris, an estimated 100,000 Napoleon coins were offered for sale yesterday. After the Napoleon price had risen to FFr. 1,130 on Thursday—73 per cent up on the end of last year—it dropped to FFr 470 at one point yesterday. Other Paris gold prices were also down sharply.

Following a suspension of trading, the Napoleon rallied slightly later to FFr. 611. Ironically, it was an absence of sellers that had led to the suspension of gold quotations on the Paris market on Wednesday.

Even after yesterday's fall, however, the international gold bullion price is still double its level only six months ago.

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Len Murray leads new steel peace moves

BY ALAN PIKE, LABOUR CORRESPONDENT

UNION OFFICIALS, led by Mr. Len Murray, TUC general secretary, went to the British Steel Corporation last night in an unexpected attempt to see whether they could establish grounds for resuming negotiations on the national steel strike which began on Wednesday.

They did so as another union —the Transport and General Workers—made the action official and pickets in the Yorks area declared they would go beyond union instructions and hit the private steel sector, which is not involved in the dispute.

Progress

Last night's talks at the BSC headquarters came after Mr. Murray had met steel union leaders at the TUC.

Mr. Bill Sirs, general secretary of the Iron and Steel Trades Confederation, and Mr. Hector Smith, general secretary of the National Union of Blast Furnacemen, whose members are on official strike, were both at the meeting.

So were Mr. Moss Evans, general secretary of the TGWU and Mr. David Basnett, of the General and Municipal Workers. The talks were still in progress after more than four hours.

Mr. Sirs said he would be prepared to resume negotiations if BSC—which has so far offered 6 per cent at national level—put an extra 5 per cent on the table. So far the Corporation has said it has no new money to offer.

Earlier yesterday Mr. Evans announced, after a meeting of steel industry delegates, that the TGWU had now joined the other two unions and was in official dispute with BSC.

This means that the 15,000 TGWU members in the steel industry will join the picket lines on Monday. It also means that other TGWU members in the docks and transport industry are more certain than ever to black imports and movements of steel.

Members of the ISTC in Yorkshire, the union's biggest and probably most militant region — declared yesterday that they intend to begin picketing all private steel manufacutrers and steel stock holders.

Mr. Ted Thorne, secretary of the local strike committee, said: "We intend to escalate this dispute and hit all steel."

This means that the use of mass picketing, and flying pickets moving into other areas of the country, are possible.

The TGWU decision last night to black all imports and exports of BSC steel was too late for one cargo which left Newport earlier yesterday where the dockers worked normally.

Half a consignment of steel from Ijmuiden, one of Europe's biggest steel plants, passed through Kings Lynn port by road bound for the Midlands. The rest was blacked after a picket of steelworkers arrived.

British Road Services said it was unlikely to follow some private haulage companies and lay off drivers.

Mr. Herman Rebhan, general secretary of the International Metalworkers' Federation, the worldwide co-ordinating body of the metal working union, met Mr. Sirs and Mr. Smith in London yesterday and told them his officials were doing everything possible to ensure that foreign unions halted the import of steel to Britain.

The exercise is one of the biggest international trade union solidarity operations which the IMF has ever undertaken.

Mr. Rebhan said yesterday the steel industry throughout Europe was facing severe problems through lack of demand and that every steel-producing nation in the West had required government assistance during the present recession. But at least other governments were sensible enough to realise a manufacturing nation could not exist without a steel industry.

Survive

Mr. Rebhan said the IG Metall, the German steel and engineering union, had issued instructions to stop steel bound for Britain, and in Sweden unions had begun the legal proces required under their law. Efforts to prevent steel movement were also being made in France, Belgium, Holland and Austria.

The IMF did not believe that any manufacturing country in the Western world held steel stocks which would survive a strike for more than three or four weeks.

£ in New York

—	Jan. 3	Previous
Spot	$2.2340-2350	$2.2485-2495
1 month	0.51-0.46 dis	0.70-0.65 dis
3 months	1.30-1.25 dis	1.60-1.55 dis
12 months	4.65-4.45 dis	5.00-4.80 dis

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Rival groups clash in the streets of Iran's holy city

BY SIMON HENDERSON IN TEHRAN

STREET RIOTS broke out in the Iranian holy city of Qom yesterday as supporters of Ayatollah Khomeini clashed with Turkish-speaking Azerbaijanis supporting Ayatollah Shariat-Madari, the chief rival of Ayatollah Khomeini.

Ten people were arrested and revolutionary guards used tear-gas to prevent rival demonstrators from attacking the homes of the two Ayatollahs. There has been tension between the two groups since Ayatollah Shariat-Madari differed with Khomeini over Iran's new Islamic constitution a month ago.

DR. Kurt Waldheim, the United Nations Secretary General, left Tehran suddenly yesterday, apparently having failed to find an immediate solution to the problem of the 50 U.S. hostages.

On Thursday evening he saw the ruling revolutionary council and exchanged views on the crisis. After his departure, a press statement was released in which Dr. Waldheim said he hoped his talks would help to pave a way for a solution.

The statement also said that the UN Secretary General was returning to New York because of the possibility of Russia's intervention in Afghanistan being raised in the Security Council. But this was considered only a formal excuse.

Observers thought he had seen all the people prepared to see him. Ayatollah Khomeini would not meet him, and the militant students holding the embassy hostages instigated demonstrations against his visit.

In Paris, President Valery Giscard d'Estaing described the reception given to Dr. Waldheim in Teheran as "inadmissible" and said it was "unthinkable" that he had been unable to meet the Iranian leaders.

Within six hours of Dr. Waldheim's departure, the militant students sought to regain the initiative in the crisis by demanding that the Foreign Ministry should hand over to them Mr. Bruce Laingen, the U.S. charge d'affaires, who has had asylum there since the crisis began two months ago.

The students said they want Mr. Laingen to stand trial for spying. They also said another hostage—a former pilot who flew in Vietnam—would be tried for this alleged crime and the Vietnamese Government would be asked to send witnesses.

Any progress in resolving the crisis now depends on how well Dr. Waldheim can explain to the Security Council, due to meet on Monday, the complicated power structure in Iran.

The question for the Security Council now appears to be: what effect could economic sanctions have on this system?

Fuel-oil snag in Japanese deals

BY RICHARD C. HANSON IN TOKYO

IRAN is forcing Japan to buy large amounts of unwanted heavy fuel oil as part of the "package" recently negotiated in Tehran to assure direct supplies of Iranian crude oil this year.

Reports indicate that Japan will contract to buy about 500,000 barrels a day of crude oil on a direct deal basis, against about 460,000 barrels under an arrangement which expired in December.

The average price in the new contracts with 12 Japanese companies is $30 per barrel, against $28.50 for December shipments.

The National Iranian Oil Company (NIOC) pared down the contract price for the oil by $5 a barrel from its original demand. But the Iranians tied crude oil purchases to sales of heavy fuel oil.

At the last minute, NIOC insisted that the Japanese companies take heavy fuel oil in volumes equivalent to about 20-25 per cent of the crude oil being contracted for.

Such an undertaking would quadruple the amount of Iranian heavy fuel shipped to Japan last year. Japan already has an excess supply of this type of fuel oil.

Iran is demanding a fuel oil price which, when other costs are included, will exceed the present market price in Japan, oil industry officials note that Japan lacks adequate cracking facilities to refine the fuel oil into lighter products.

The Japanese companies are unhappy with the Iranian package deal, but most have agreed to the terms. The companies are faced with the prospect of either taking losses on the fuel oil or reducing the amount of crude oil they can get from Iran.

The Ministry of International Trade and Industry (MITI), which monitors oil imports, expects overall imports of oil from Iran this year will remain at last year's level of about 600,000 b/d. The increase in directly purchased oil over last year will in part make up for cuts in supplies from the major oil companies to third-party Japanese users.

The Japanese companies will probably try to off-load some of the heavy fuel oil at a loss outside the country to avoid a serious disruption of the domestic market.

Japan depends on Iran for more than 10 per cent of its oil imports. It has been placed in the uncomfortable position of trying to maintain ties with Iran without damaging relations with the U.S. during the present crisis.

Cost of Russia's Afghan venture

A COMBINATION of strategic, ideological and political factors led the Soviet Union to add Afghanistan to the Soviet bloc, but the political price they will have to pay for it, while huge, is still incalculable.

Soviet officials have said privately for weeks that they *had given up hope that Salt II* would ever be ratified. President Carter's action in deferring a vote on the treaty ensures that this conclusion has become virtually self-fulfiling.

The Soviet Union has traditionally been obsessed by the security of its enormous border. It was particularly disturbed about the prospect of losing control over Afghanistan, for strategic reasons and because it had invested heavily, both economically and politically, in the country.

Relations with Iran have improved because of Iran's confrontation with the U.S., but the religious fanaticism of *the Iranian leadership has precluded Iran from becoming a* reliable Soviet friend.

The hostility of China, which the Russians had hoped might abate after the death of Mao Tse-tung, has showed no sign of lessening. Russia has made a series of proposals to the Chinese, in order to improve relations, but all have met with rebuffs.

Because of this, the strategic importance of Afghanistan became paramount. The continuing inability of the Amin Government to contain the tribal rebellion and its persistent resort to terror convinced Russia that it would soon be faced with either withdrawing completely, in the face of an anti-Soviet Moslem insurrection, or going in in strength.

For internal reasons, Russia cannot willingly withdraw from an area once it has made a commitment, particularly if the country is adjacent to its own border. It must sustain a sense of forward movement for political and psychological reasons. To forswear expansion is to forsake its cause. This is particularly so at a time when the Soviet economy is stagnating and détente has put limits on the conflict with the U.S. and Western Europe.

Our foreign staff adds: In his first reported public appearance since being installed in office on December 27, Mr. Babrak Karmal, the new President of Afghanistan, proclaimed his régime's "deep respect" for religion, called for a "broad national front," and thanked Moscow for sending in troops.

He was speaking at a Press conference attended by some foreign, but no Western, journalists.

Mr. Karmal promised a "new democratic constitution" and stressed the importance of "a broad national front with the participation of all political, public and religious organisations." He also said that 2,000 of the 4,000 political prisoners held by his predecessor had been released.

THE RHODESIAN CEASEFIRE

Difficulty of assembling guerrillas

BY QUENTIN PEEL IN JOHANNESBURG

LANDMINES on the dirt road to Hoya have not been lifted, but they have, at least, been clearly marked. Branches block off one side of the road, and stakes have been placed to pinpoint the mines—each bearing a crumpled poster proclaiming the power of the guerrilla army of Mr. Robert Mugabe. "Victory is certain," they say. "Power to Zanla."

Hoya, a former roadworkers' camp, sweltering in the Zambezi valley only about 20 miles from the Mozambique border, has for the past week been transformed into an assembly area for the guerrillas under the Rhodesian ceasefire agreement.

It has been one of the more successful points in attracting guerrillas of the Patriotic Front Alliance to come in from the bush and to allow the ceasefire to work. By midday yesterday—12 hours before the final deadline for assembly—there were 674 men in the camp, another 60 on their way, and two large groups of 400 and 700 hanging back to see how the system would work.

The Commonwealth soldiers on the ground make little secret of their belief that too little time has been allowed for the guerrillas to assemble.

Major Christopher Le Hardy, British commander of the 13/18 Royal Hussars at Hoya, said the cell system of the Zanla guerrilla army undoubtedly made communication by their commanders extremely difficult.

"Over the past three or four days it has become clear that the time to get them in has been underestimated," he said. "One group does not know what another is doing. All instructions have to be authenticated, usually by the commander in person."

The same picture was given by Lieutenant-Colonel Les Hubble, the Australian officer responsible for the whole operational area, code-named Hurricane, in north-east Rhodesia.

"We are running out of time," he said. "It isn't long to midnight, and we are pretty certain we have not got all the PF in the area into the assembly points and rendezvous points. they have got a genuine communication problem, and therefore some of them probably have not yet got the message in the way they want it—from the right authority."

The system at Hoya has been for the PF commanders to come and go during the day, seeking out further guerrilla groups and persuading them to come in.

The guerrillas barely use the tents provided, preferring to spend the night sleeping in the surrounding bush for fear of a surprise attack by Rhodesian security forces. Nor are they willing to talk to journalists.

But in spite of their motley collection of uniforms—anything from brand-new East German camouflage to leather jacket and jeans, with every sort of headgear. Rhodesian camouflage hats, Chinese caps, sombreros—the British have been surprised by their discipline.

The British monitoring force—17 men under Major Le Hardy—*have* rigged up their own makeshift camp by the water tanks. A huge pink parachute doubles as a shower cubicle under the gum trees. The tanks leak badly—the result of a guerrilla attack only days before the men arived.

Although the British troops have established friendly relations with the guerrilla commanders, there is still underlying tension. The biggest difficulty is food, for the guerrillas are dissatisfied with their rations, supposed to be the daily fare of Africans in the Rhodesian security forces.

"If they don't get enough food, I am worried they will leave again." Major Le Hardy said. If they do stay, there will be a real problem in entertaining these irregular soldiers who have never known regimented camp life.

The most urgent problem is what will happen to latecomers "You can't just cut the thing off at midnight, and say everyone is totally unlawful and subject to police action." Col. Hubble said.

"If people are moving in a peaceful and orderly fashion, and it is quite obvious that they are making their way to a rendezvous area, they will be given safe passage. If on the way they break the law, the police will have to take action."

That message does not seem to have got through to the Rhodesian security forces. A sergeant of the guard force in Centenary, the nearest white settlement, said he was expecting to go on a "sweep" today, to mop up all guerrillas who had not reached their assembly areas.

Polish Trade Minister resigns

WARSAW — Mr. Jerzy Olszewski, Poland's Foreign Trade Minister, has resigned because of ill-health, the Polish Government announced yesterday. His resignation comes as Poland struggles to boost its flagging export industry and reduce its heavy indebtedness to the West.

Until his resignation, Mr. Olzewski, 59, had been grappling with economic problems which have opened the Government to increasing criticism.

Last month, Mr. Piotr Jaroszekski, Poland's Prime Minister, acknowledged that the Government had been criticised for the way it was managing the economy. It was trying to draw "correct conclusions" from these criticisms, he added. Recently, new restrictions were announced on the industrial use of oil, coal, gas and electricity.
AP-DJ

Christopher Bobinski adds: Mr. Olszewski, an amiable and able man, has held ministerial post since November 1974. In 1976, when cuts in Poland's trade deficit became a matter of some urgency, his Ministry was granted greater powers of control over imports.

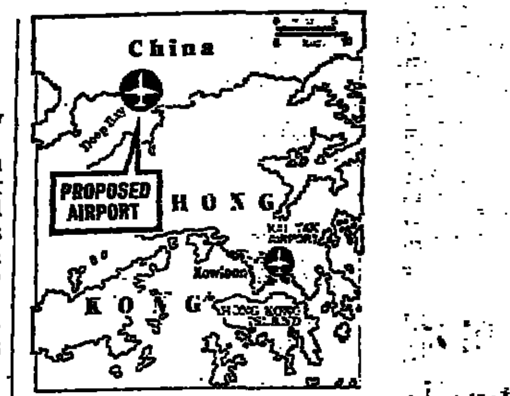
That year, the deficit stood at a record £1.3bn but was brought down to an estimated £636m by 1979.

The authorities are looking to exports for enough hard currency to service Poland's foreign debt of more than £7.2bn, and Mr. Olszewski's Ministry has always maintained that the problem lay not in sales but in getting Polish industry to supply enough goods.

This position has been endorsed by the Government and Party. Mr. Olszewski had also gained support for reforms in the management of foreign trade. These reforms are to be introduced this year.

The import cuts brought into effect while Mr. Olszewski was Foreign Trade Minister earned him little popularity, but it is not likely that inter-governmental rivalries were responsible for his resignation.

His health has been poor for some years. No new Minister has been appointed yet. Mr. Ryszard Karski, First Deputy Minister, and formerly Polish Ambassador to Austria, is running the Ministry for the moment.



Hong Kong airport in China urged

By Philip Bowring in Hong Kong

HONG KONG and foreign business interests have proposed to the authorities in China's Guangdong Province that consideration should be given to building an airport just across the border from Hong Kong. The proposal is only at an outline stage.

Hong Kong's Civil Aviation Department says it knows nothing about the scheme, and there seem to be many obstacles. But it underlines widespread expectations here of growing infrastructure tie-ups between China and Hong Kong, partly linked to international trade.

Little is known of the proposal except that the airport would be on the Chinese side of Deep Bay in the New Territories and would be a fairly modest affair costing only some $400m (£181m). It would be aimed at serving the industry and tourism projected for the border area, and acting as a second airport for Hong Kong.

Hong Kong's Kaitak Airport is becoming overloaded and there is a proposal to replace it entirely. But a decision has been postponed, partly because of the high costs involved: it would be built largely on reclaimed land.

Though a small airport nearby in China might relieve Kaitak, aviation officials suggest that heavy use of the Deep Bay site would interfere with Kaitak traffic.

San Salvador junta seeks civilian allies

SAN SALVADOR—The ruling junta yesterday searched for candidates to restore its military-civilian alliance after two civilian junta members resigned. They complained that right-wing influence was growing and that the Government was going slow on promised reforms.

The two men, Sr. Guillermo Manuel Ungo and Sr. Roman Mayorga Quiroz, resigned after 39 other officials, including 12 of the 13 Cabinet Ministers, had resigned for various reasons. Sr. Jose Guillermo Garcia (Defence) was the only Minister to retain his post.

The resignations followed the junta's rejection of a critical document by the dissident Ministers which called on the military to withdraw from politics.

On Thursday, Col. Adolfo Arnoldo Majano, a member of the junta, met most of the dissident Ministers and asked them to have faith in the armed forces. His plea was rejected.

The five-man junta assumed power after a group of 35 young captains and colonels led a coup against *Gen. Carlos Humberto* Romero on October 15.
AP

Hanoi warns Peking of 'war at any moment'

BY RICHARD NATIONS IN BANGKOK

WAR between Vietnam and China could break out at any moment, Hanoi said yesterday, in its strongest denunciation of Chinese border provocations so far.

The list of increasing violations of Vietnam's air, land and sea borders by "armed Chinese forces" was contained in a lengthy report issued by a Vietnamese commission on "Chinese crimes," broadcast over Radio Hanoi.

The incidents, which Hanoi alleges cost many lives and heavy damage, revealed "Chinese aggressive and expansionist tendencies," the broadcast went on. Such accusations are hardly new, but the mention of imminent war introduces a menacing note.

Observers here say no evidence exists of Chinese troop movements on the ground to substantiate Hanoi's fears. "Deployment on both sides now remains about what it was six months ago, with each army having about enough strength to take care of the other," one *Western military attaché said.*

It is doubtful if Peking has at present an adequate force on its border with Vietnam to launch a successful large-scale attack. But speculation is growing that the Russian invasion of Afghanistan may tempt the Chinese to hit Vietnam while its Soviet ally is elsewhere engaged.

Some observers think the Vietnamese may be stepping up the war of words to coincide with the first anniversary of the January 7 victory of the Vietnamese-backed Heng Samrin forces over China's ally, Pol Pot.

The prospect of war with China underscores the main theme of the anniversary celebration, which is solidarity between the peoples of Kampuchea and Vietnam against their common enemy — the Khmer Rouge and China.

One puzzling factor is the inactivity of Vietnamese forces deployed in strength along the Thai border. It is already too late, observers note, to achieve a major military victory over Khmer Rouge forces in time for the celebrations. But the fire divisions near Khmer resistance strongholds there may be unleashed shortly.

Financial plight of industry in Basque province

By Robert Graham in Madrid

THE DAMAGING effects of Spain's three-year-old recession on heavy industry have been thrown into stark relief by figures published yesterday on the plight of concerns in the Basque province of Vizcaya during 1979.

The province has the highest concentration of heavy industry in Spain. Last year 2,193 companies found themselves in financial difficulties, according to official figures, and 70,000 jobs were affected. In 1978 912 companies were declared in financial difficulties, and 45,000 people lost their jobs.

The figures are based on applications to the Ministry of Labour in Vizcaya for permission to shed labour and are granted on the basis of a company's financial position.

The effect of the recession on companies appears to be accelerating. Last month 209 companies applied and 121 applications were granted where there had been prior agreement *between management and* labour on manpower shedding measures.

Carter's revenue move seen as 'electioneering'

BY JUREK MARTIN, U.S. EDITOR IN WASHINGTON

PRESIDENT CARTER'S decision to ask Congress to renew the $6.9bn-a-year Federal revenue sharing programme for the next five years may prove one of his more controversial economic proposals in 1980.

His action, announced on Thursday, coupled with reports that he will also seek increases in real spending for a variety of social projects and for the slumping housing industry, is already being portrayed by his critics as election-year politics designed to appeal to critical constituencies.

It is also being said that with big increases in defence spending promised for the 1981 budget, to be presented to Congress later this month, it will be impossible for the President to maintain the Budgetary austerity to which he is committed.

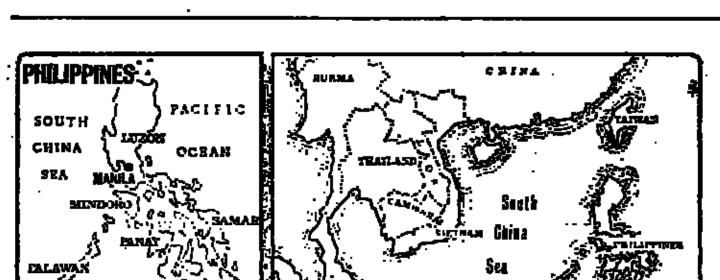
The current fiscal year's deficit is estimated at about $33bn. Next year's budget is believed to *project* a shortfall of less than half that.

The Administration is contending that such increases in social spending as are likely, are selective and constructed to meet particular national needs. Earlier this year, Mr. Carter had been publicly dubious about the efficacy of the revenue-sharing programme, which disburses federal grants to state and local governments, partly because most of these governments were in sound fiscal condition.

Local government leaders across the country, who had lobbied hard for the retention of revenue sharing, yesterday welcomed the President's decision to go ahead.

Although mindful of local government opinion, Congress is also aware of the counter-argument that revenue sharing is a programme which extends the tentacles of Federal bureaucracy. Next to the Ayatollah Khomeini, this is perhaps the most unpopular bogey in the U.S. at present.

Congress may, therefore, try *to change the nature of the* programme, to minimise the central government's role.



Philip Bowring in the Philippines reports on a little-known front in the world-wide Islamic resurgence

The view from Allah Valley

DESPITE ITS NAME, this is the end of the road for Islam. Allah Valley is mostly Christian, which helps explain why the Ayatollah Khomeini has added the Philippines to his short-list of countries—the U.S., Israel and South Africa—which have been cut off from Iranian oil. The revolutionary regime has accused the Philippines of oppression and slaughter of Muslims.

The issue is delicate for the Philippines which gets most of its oil from the Muslim Middle East and yearly earns several hundred million dollars in remittances from Filipino workers and contractors there. The Islamic Conference of Muslim nations generally takes a moderate, conciliatory stance towards the Philippines' Muslim problem. But Manila is nervous about the possible spread of arm-twisting by Khomeini style fundamentalists.

This fertile valley in the south-western corner of Mindanao represented the extreme easterly expansion of Islam. The religion of the Prophet arrived here in the 15th century, establishing itself in the western third of Mindanao about a centry before Spain arrived to conquer most of what is now the Philippines in the name of Christ and King Philip.

Though in some areas, like Allah Valley, the Muslims have been pushed out by or outnumbered by Christian migrants from other parts of the Philippines, Islam maintains a strong foothold in parts of western Mindanao and dominates the adjoining Sulu archipelago, the chain of Philippine islands running between Mindanao and Borneo.

For nearly a decade, Muslim rebel groups have been fighting for secession from the Philippines. The war — a kind of large-scale version of Northern Ireland — has claimed some 50,000 lives and uprooted 250,000 people. The level of fighting is now much lower than two years ago. Many former rebels have surrendered, accepting the Government's sincerity in offering speeded development for the area and a degree of autonomy for the two regions of Mindanao and Sulu in which the Muslims form a significant part of the population.

But some Muslims are still resisting, the main group being the followers of the Moro National Liberation Front under its Libyan-based leader .

There is still a widespread belief among outside Muslims and particularly among radicals such as Khomeini and Gaddafy, that Muslims in the Philippines are persecuted and oppressed. The reality is more complicated.

Khomeini's interest is apposite because the root cause of the problem of the Philippine Muslims is the adaptation to a modern economy and a secular state of traditional ways and concepts associated, sometimes inaccurately, with Islam.

The Muslim tribes of Mindanao (the Maranaos and Maguindanaos) and Sulu (the Tausugs) resisted the Spaniards, the Americans and most recently their fellow Filipinos. Though the area of land which they control has shrunk, they have proudly maintained their tribal and religious identities—tribe and religion being of roughly equal importance.

But the consequence has been that they have remained cut off from the social and economic progress taking place around them. The war of the past decade has further enhanced their separateness. The owners of some of the richest land in the Philippines have condemned themselves to rural slumdom. Around their enclaves non-Muslim Mindanao exhibits the drive, optimism and crude opportunism of the frontier, as a heavily immigrant population proceeds with taming and exploiting the rugged riches of the rest of the island.

It is little more than 30 minutes drive from Iligan, a port town on the north coast of Mindanao, to Marawi City, 2,500 ft up on the rich plain around scenic Lake Lanao. But it is also a journey of 100 years. Christian Iligan, inhabited by immigrants from the Visayan islands to the north, is not beautiful. But with its cement works, steel rolling mills, cinemas and bustling little port it is clearly going places.

Marawi is the culture centre of Mindanao's muslims, particularly the Maranaos. But it is distinguished by its dilapidated buildings, rutted, unpaved streets and general air of being left behind. The only thriving activities are the military headquarters and the teaching of Arabic.

The Philippine Government, and many Muslims, say it is economic disparity which has caused the war; development was held back by the neglect of a Christian-dominated government.

Neglect, prejudice and communal hostility existed in the past, and have not been eliminated. But there is also a strong argument that separatism is the cause not the effect of economic disparity.

Spaniards and Americans brought new techniques and social structures to other parts of the Philippines. But Muslim areas resisted these as well as foreign political and religious domination. Cut off from modern education, society maintained a traditional Malay hierarchical structure overlaid and strengthened by Islam.

Particularly in the two decades following World War II, large numbers of Filipinos migrated to Mindanao from overcrowded Luzon and Visayas. They naturally wanted to till the lands which the Muslim tribes regarded as their patrimony but which were little cultivated.

The result is to make the Muslims even more educationally disadvantaged. The teaching may be adequate, and Egyptian and Saudi qualifications are in theory accepted by the Government. But with English being the lingua franca of the rest of the Philippines, the Arabic graduates have few local job outlets. A large proportion end up working in the Middle East, depriving the Muslim areas of the educated people needed to catch up with the rest of the country.

The Muslims of Mindanao seem to have a choice between accepting a greater degree of integration into the Philippines (regional autonomy notwithstanding), that would mean some loss of ethnic/religious identity but no loss of freedom of worship; or trying to sustain, Albania-style, a prickly but impoverished rural ghetto for whom the real enemy is not Christians, nor other Filipinos, but any people and ideas from the outside world.

Members of the Moro National Liberation Front, the main Muslim resistance group in the Philippines.

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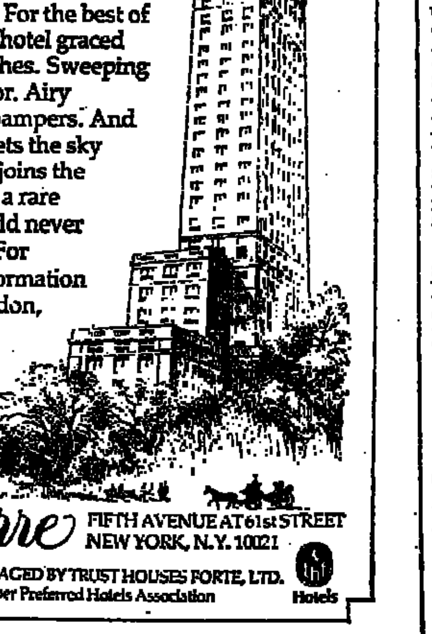


Ben Line $18m deal boosts expansion

BY WILLIAM HALL, SHIPPING CORRESPONDENT

BEN LINE, the private Scottish shipping group, is negotiating to buy an $18m drill ship from Atwood Oceanics Inc. For Atwood the deal will lead to a big improvement in its highly geared balance sheet, and for Ben Line, Britain's largest offshore drilling contractor, it marks a major expansion.

Ben Line's wholly owned subsidiary, Atlantic Drilling, hopes to complete the purchase of the Fredricksburg early next month. The ship was built in 1975 in Singapore and is drilling off the Indonesian coast. The Houston-based Atwood Oceanics will continue to operate the drillship until May 1981.

Atlantic Drilling operates two semi-submersible Aker H3 drilling rigs in the North Sea, and Ben Line Offshore Contractors owns 50 per cent of Ben Odeco—a joint venture with Ocean Drilling and Exploration Company of New Orleans. Ben Odeco operates two drill ships and a self-propelled jack-up drilling unit.

Ben Line is probably the biggest European offshore drilling contractor, and the acquisition of the Fredricksburg will increase its presence in a market dominated by North American companies.

Mr. John Macan, Atwood's president, said that the sale proceeds would be used to reduce the company's notes payable to banks with interest above prime rate.

In November, Atwood sold a drilling barge, the Big John. Together with the sale of the Fredricksburg, Atwood's long-term debt will have been reduced from $92m in 1978 to around $51m, which will compare with shareholders' funds of around $35m.

In common with many other offshore drilling companies, Atwood has suffered recently from the over-capacity in the industry and the very competitive rates. In 1977 the group made a net loss of $14.7m, which fell to $6.9m in 1978. In the year to September 1979 the group made a $0.5m net profit.

Republican still held

GERRY ADAMS, the leading Republican who was arrested in Belfast on Wednesday, was still being held by the RUC last night.

Mr. Adams, who was arrested with Mr. Joe Baker in the Andersonstown area of the city, can be held for up to 72 hours under Section 12 of the Emergency Provisions Act.

He must be charged or released in that period, which will expire today.

Mr. Adams, 31, twice attempted to escape while previously detained at the Maze Prison. Last year a judge ruled there was "insufficient evidence" against him on a charge of membership of the IRA and he was released after spending seven months in custody awaiting trial.

Jobs to go at Kendal

MORE THAN 150 workers at one of Kendal's biggest employers, Ibis Engineers, are to lose their jobs.

The company will stop production on January 18 after an unsuccessful three-months' search by a Receiver to find a buyer for the firm.

Ibis makes garment pressing machinery for the clothing industry and industrial laundry machinery and called in the Receiver when it ran into trouble in September.

Management said strikes had played a large part in the decision, but unions blamed management for the company's plight.

Brokers challenge gloomy forecasts

A CHALLENGE to the prevailing gloom about the UK's immediate economic prospects has come from stockbrokers Simon and Coates.

The firm does not share most forecasters' view of a 1 to 2 per cent decline in output this year, as measured by real Gross Domestic Product. Instead, it expects a continued rise in consumer demand—up 1½ per cent after a 4 per cent rise last year—to keep GDP substantially unchanged.

On the other hand, Simon and Coates is more pessimistic than most other forecasters about the propspects for next year. In its view, the Government will have considerable difficulty both in pulling the economy out of the recession and in reducing the rate of inflation at an acceptable speed.

The key to Simon and Coates's forecast is its belief that consumer spending will continue to rise.

The firm expects wage inflation to exceed previous estimates and to prevent an overall decline in real disposable income for the year as a whole.

It is looking for a modest fall in the savings ratio in contrast to the majority expectation of a further rise.

Looking to the medium-term, the brokers reject the theory that present policies will bring a short, sharp recession followed by a steady, if slow, recovery from next year.

"The damage to industrial profitability from low demand, a succesion of strikes and severe foreign competition, the impact on exports and imports of a high exchange rate, and the general cutback in Government spending are going to leave consumer expenditure as the only potential expansionary force for some time to come."

Brokers Laing and Cruickshank argue that the recession has arrived, and will last for at least two years.

The inflation rate is expected to peak at more than 20 per cent in the second quarter, and it will drift back to remaining in double figures throughout next year.

Interest rates should, however, begin to fall in the near future, as corporate borrowing is cut following the competitive reductions in holdings of socks of goods which are now starting.

SIR WILLIAM PILE ENCOURAGED AN AGGRESSIVE ATTITUDE TO AVOIDANCE

The tax task made more difficult

BY DAVID FREUD

THE TASK of the Inland Revenue has grown increasingly difficult over recent years. Tax legislation has developed a more-than-Byzantine complexity; inflation has made parts of the system — taxes on profits, for example—arbitrary; while ludicrously high marginal rates have helped accelerate the erosion of tax-paying morality.

In such a period no chairman of the Revenue could have enjoyed unmitigated success. Yet Sir William Pile, who retired aged 60 on December 31, after three and a half years in charge, has considerable achievements to his credit.

Under his guidance the Revenue came out from its secretive shell. Far greater emphasis was placed on consultation and discussion, while the Revenue's point of view was put over through the media in a way unthinkable — even five years ago.

At the same time Sir William has encouraged a much more aggressive attitude to evasion and avoidance, and the Revenue has been involved in several controversial incidents quite out of character with its previous operations. The dawn raids on the Rossminster tax avoidance group in the summer are a case in point, as are the equivocal statements made on how profit margins are used in checking self-employed taxpayers' returns.

It is unlikely that all the consultation and publicity has counterbalanced the unfavourable public impact of such moves, although it is probably still true that most taxpayers trust the Revenue's basic fair-mindedness.

Sir William's most significant achievement is that he leaves behind an efficient organisation with high standards and morale at a time when the reputation of some other public services—such as the Post Office—has collapsed.

Arguably his main failure was to keep the Revenue on the sidelines during attempts by academics and professional tax accountants to create a more logical and coherent system. The Meade Committee received little encouragement and its findings were ignored, while the Revenue's contribution to the debate on ways of replacing stock relief has been muted, to say the least.

The reason for this has been partly because Sir William has regarded tax philosophy as an issue for the politicians and partly because he has accepted the piecemeal tradition of UK tax legislation.

Sir William has consistently argued that tax should be collected in an efficient yet humane way. Traditionally tax disputes in the UK have been settled by negotiation rather than force. However, this approach has been undermined by the growth of the black—or tax-evading—economy.

As Sir William has said: "I am sure this black economy is losing us revenue and eroding the integrity of taxpaying generally. We have traditionally had a great deal of taxpaying integrity and it would be very sad if it went."

The Revenue has adjusted its approach to tackle this problem. About three years ago the "new approach" of in-depth examination of suspicious looking returns from self-employed taxpayers was introduced.

Another issue connected with the decline in taxpaying morality was the growth of the avoidance industry, which used the fine print of the legislation to reduce taxpayers' liabilities. A powerful counter-attack was launched by the Revenue in the 1978 Budget when one of the schemes was outlawed restrospectively.

This stroke, which was widely criticised as unconstitutional, made all the schemes look a lot less attractive to potential users and reduced the avoidance industry to a shadow of its former self.

Coming from the Department of Education and Science, Sir William was no tax specialist, but he quickly became a first-class front man for the Revenue. His greatest public relations coup was carried out last March before one of the Commons' select committees, which was floundering around trying to think of interesting questions to ask him.

No doubt, mindful of the ranks of bored journalists in the committee room, he inquired helpfully whether the committee would be interested

Sir William Pile, retiring chairman of the Inland Revenue.

in his estimate of the size of the black economy.

The committee seized on the topic with relief and his £10bn estimate, or 7½ per cent of gross national product, quickly became a major national talking point. Most top officials would never have made public what he admitted was only a crude estimate, but, as a way of dramatising a problem and gaining public sympathy for the Revenue, it was a masterstroke.

As an operator in the Whitehall corridors of power, Sir William's genial and open approach proved highly successful. Under him the Revenue, which is unlike most departments in not being subject to direct ministerial control in all its functions, maintained, and even extended its independence.

It could not, for example, have been easy to get a retrospective clause through the Labour Cabinet, even though it was directed against avoidance. Elsewhere, Mr. Robert Sheldon, Treasury Minister of State in the last Government, had absolutely no joy in getting the Revenue to do what it did not want to.

His concession on season tickets was nullified by the strict interpretation of Revenue officials, while suggestions of moving towards a system of self-assessment were swallowed alive through the device of a consultative paper.

Sir William's pragmatic approach means Sir Lawrence Airey inherits a basically sound, though creaking, machine for collecting taxes. Computerisation, due in 1987, should provide a fresh approach to the design of the taxes themselves. In these the economic needs of the country will be placed above the management needs of the Revenue—a necessary step before the complaints about the UK tax system are eliminated.

Maybe Sir Lawrence, who has been responsible for the domestic economy at the Treasury, will be able to provide that approach.

Cathay Pacific awarded route

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

CATHAY Pacific Airways, the Hong Kong-based airline which is part of the Swire Group, has been granted the licence to fly between Hong Kong, Shanghai and Peking.

The licence, awarded by the Hong Kong Air Transport Licensing Authority, is for five years from January 1. Flights will start in early February.

The route award follows the Anglo-Chinese agreement reached in Peking earlier this year for new air services between the UK, Hong Kong and Chinese cities.

Under that pact, the UK Government was empowered to nominate a Hong Kong-based airline to fly to Peking and Shanghai, while British Airways was given the rights to fly between London and Peking. The BA service will start in April.

These new air services have nothing to do with outstanding bids before the UK Civil Aviation Authority for additional airlines on the London-Hong Kong air route, currently flown solely by British Airways.

This is a separate issue, in which British Caledonian Airway, Cathay Pacific and Laker Airways are all bidding for rights to compete with British Airways on the London-Hong Kong air route.

Hearings by the Civil Aviation Authority in London before Christmas were not completed, and will be resumed in late January.

Although both British Caledonian and Cathay Pacific have been awarded Hong Kong-London rights by the Hong Kong Government, the UK has yet to give its decision. This is not expected until some time in February.

● Air Tanzania, the national airline of Tanzania, East Africa, has begun flights between Gatwick and Dar es Salaam, with services every Friday and Monday. Air Tanzania is the first foreign airline to start services from Gatwick in 1980.

Printer says circulation figures 'were false'

A SHOP steward who secretly provided information about his employers told a fraud case jury yesterday that he was alarmed at what had been going on in the firm.

Gordon Bramwell, who was a printer for two glossy magazines, the Tatler and Bystander, and the Nottingham Observer for 10 years, alleged that advertisers were being "rooked."

Mr. Bramwell, who was a shop steward for the National Graphical Association, said he finally sent evidence, including photographs of false circulation figures, to his solicitor.

As a result, police interviewed the managing director, 71-year-old Guy Alexander Wayte,

Wayte and three other men pleaded not guilty at Nottingham Crown Court to conspiracy to defraud advertisers

The other accused are deputy managing director Michael James Campbell, 44, of The Park, Nottingham, chartered accountant; Arthur Cyril Dewey, 54, of Victoria Road, West Bridgford, Nottingham, and printing foreman, Leonard Albert Sutton, 57, of Park Road, Loughborough, Leicestershire.

Wayte, defending himself, told the jury that continual union disruptions turned a profitable company into one that made a financial loss.

LT chairman asked to explain 'waste' report

BY LYNTON McLAIN

MR. RALPH BENNETT, chairman of London Transport, has ben given until the end of the month by the Greater London Council to explain an auditor's report on waste and extravagant spending in LT.

The report, by Deloitte and Company, was ordered last month by Sir Horace Cutler, leader of the GLC after allegations by Mr. Leslie Chapman, a part-time member of the London Transport Executive.

Mr. Chapman reported to London Transport and GLC leaders that up to £50m could be saved if "waste, extravagance, over-manning and other uneconomic practices" were eliminated.

The auditor's intial observations were sent to Sir Horace and Mr. Bennett on Thursday.

However, Sir Horace said yesterday: "The auditors require more time to present a clear and more complete picture." He said a lot of Mr. Chapman's work needs to be refined so that the council can take the appropriate action, if necessary.

Nevertheless, the work already carried out by the auditors showed that when the further report is received—by the end of January—"it must be accompanied by explanations from the LT executive."

Sir Horace said last night that one of his objects in going ahead with an auditor's investigation "is to make it crystal clear that London Transport has only a limited role." He said the executive should be concerned with the day-to-day operations and financial control.

Failure to perform in these areas would lead to the "appropriate action" being taken, he said. This is understood to be a reference to the possibility of changes in the composition of the executive. But Mr. Ralph Bennett, the chairman who was appointed by Sir Horace, is expected to stay.

London Transport said after Mr. Chapman's allegations of waste were made public, that it welcomed the auditor's investigation. The LT executive believed the study would "put maters into their proper perspective."

London Transport launched a "central productivity unit" staffed by London Transport personnel, on November 6 to look at all departments with the object of eliminating waste and cutting costs. The unit has already started work.

A Leyland lorry dwarfing a racing car illustrates the scale—both technological and physical—of the companies latest venture announced this week.

Leyland Vehicles, BL's truck and bus subsidiary, is to become a co-sponsor of the British-based Williams racing team in conjunction with Saudia, the Saudi Arabian airline.

The car will bear the name Saudia-Leyland in Formula One races next season.

Leyland will not say how much it is spending on the venture, but it is not expected to increase the company's percentage expenditure on publicity and promotion is 2 per cent of turnover.

Plea for housing details

By Robin Pauley

GOVERNMENT DELAYS in providing local authorities with details of housing capital allocations for the coming year have prompted the Association of District Councils—ADC—to ask for an urgent meeting with Mr. Michael Heseltine, Environment Secretary.

Mr. Ian McCallum, chairman of the association, which represents all the 333 district councils in England and Wales, wrote to Mr. Heseltine yesterday. His letter referred to earlier assurances that "everything would be done" to make sure allocations were notified to individual housing authorities by the end of November.

There was still no indication as to when the allocations would be made and they were already later than in any preceding year.

Thorn bid to export catering equipment

BY ELAINE WILLIAMS

TWO acquisitions by Thorn Electrical Industries are intended to open export opportunities in industrial catering.

The expansion of Thorn's Birmingham-based subsidiary, Crypto-Peerless, which makes commercial food processing and glass and diswashing equipment, indicates that the company is intent on exporting.

Crypto-Peerless does little exporting now. Buying G. S. Blakeslee Company of Chicago and Toronto and a 50 per cent stake in Dito Samo in France (with the intention of taking a controlling interest within 18 months) is an important step not only for Crypto-Peerless, but also for the three other Thorn subsidiaries involved in catering.

Thorn has had a long relationship with Blakeslee. For 10 years, Thorn has been selling and manufacturing the U.S. company's commercial dishwashing equipment under licence. Blakeslee was established in 1880. It employs about 150, and has a turnover of £4m.

The link with Dito Sama has been much shorter—a mere 18 months. Crypto-Peerless has been selling Dito's industrial food processing equipment in the UK. It has a turnover of £5m and a workforce of 125. In France, Dito is the market leader in its field.

Thorn says there will be few changes in the management of the companies which have been acquired, apart from the fact that Mr. R. G. Terry, managing director of Crypto-Peerless, becomes president of both companies.

If Crypto-Peerless is added to the three other industrial catering subsidiaries — Stott-Benham, Conveyor Cafeterias and the ABR Food Machinery Company—Thorn is the largest manufacturer of catering equipment in the UK.

The UK market is worth about £120m a year, split into two sections. The public sector — government departments, nationalised industries, schools—accounts for 45 per cent, but this is stagnant. The growth sector is in private industry, including hotels, restaurants and fast food companies.

However, Thorn feels that it is time to expand and seek new markets overseas, especially since the public sector is unlikely to move much.

Car trade-in cost 'will rise'

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

THE COST of trading a used car for a new one will increase because new car prices are rising steeply, says Mr. Michael Lacey, director of Glass's Guide, the publication which provides car retailers with price information.

He points out that new car prices went up by more than 20 per cent in 1979, resuming a familiar trend after a brief respite in 1978, when the cost of a typical new 1300 cc car rose by only 12 per cent.

Mr. Lacey predicts that prices will go up by a further 15 to 20 per cent during the coming year. This is bound to mean more expensive part-exchange.

Writing in Credit, the journal of the Finance Houses Association, he estimates that the cost of trading in a two-year-old 1300 cc model with an average 24,000 miles on the clock will be £1,700 by March this year.

The trade-in value will represent only 53 per cent of the cost of a new car of the same type.

In March 1979, the trade-in value would have been 59 per cent of the new-car price.

Mr. Lacey states that the buoyancy of the new car market in the UK during the past two years, coupled with the increase in sales of imported models, has led some retailers to give up some of their used car trade.

He estimates that the number of used cars sold through traditional car retail outlets fell last year by 12 per cent.

Some dealerships have been taking only four cars in part exchange for every ten new ones

	March		
	1978 £	1979 £	1980 £
New car price*	2,710	3,025	3,600
Trade-in value after 24 months and 24,000 miles	1,480	1,800	1,900
Cost of exchange	†1,230	1,225	1,700
Percentage of new car price from trade in	55%	59%	53%

* Typical 1300cc car.
† Assuming no discount given.

GOLD AND SILVER SPECULATION: THE OTHER SIDE OF THE COIN

Large deposits of ore exist—but it is uneconomic to mine

PARTLY because of its traditionally high cost—compared with base metals—and partly because the bulk of world production comes from South Africa and the Soviet Union, gold tends to be thought of as a rare metal. This is not the case.

While it is mined in reasonable quantities in over 20 countries these are hundreds of other deposits left undisturbed in the ground—and even in the seas. What makes gold rare is that most of the known deposits have too weak a content of metal in the gold-bearing ore to make it payable to mine—even at today's prices.

Gold nuggets turn up in Canada, but they are very rare and usually come in an isolated pocket of rich ore bearing no relationship to the overall grade of the mine. What is normally regarded as high grade ore contains rather less than one troy ounce, or 31 grammes of gold, to the tonne of ore. In such ore the tiny specks of gold can hardly be seen by the naked eye.

Clearly, the known ore deposits which have not been mined contain a much lower gold content. Even at today's gold prices it is doubtful if the high cost of establishing new mining operations would be justified, especially with the risk of a fall in the gold price in the three or four years required to reach full production.

There may be a few exceptions. South Africa's Union Corporation said recently that it is fairly confident of going ahead with the new Beatrix mine in the Orange Free State. The group, it is rumoured, may also have another potential new mine in mind.

Anglo American Corporation could also plan a new operation.

The main benefit of high gold prices, however, is the opportunity it gives for exploiting existing workings and to continue to mine for more of the lower grade ore in mines which were previously regarded as uneconomic.

Mine lives will be extended but there is unlikely to be much increase in the amount of gold produced.

If high gold prices are maintained, they will mostly benefit the "little men." In Canada, for example, there are dozens of small old gold mines that have been closed. Australia's once-famous Golden Mile still contains a great deal of unworked low-grade ore.

The little men — and some who are not so little — are already studying the possibilities of reopening these mines and working them on a small scale.

There could be a flurry of activity in the Welsh hills where gold has been mined on a small scale, on and off, for years — the Queen's wedding ring is made of Welsh gold.

Overall, however, the high price of gold is not going to make a great deal of difference to the supply picture. This is more likely to be influenced by the appearance on the market of gold that was mined and refined long ago — but that is another story.

Films to cost 10% more because of the high price of silver

BY ELAINE WILLIAMS

THE COST of films and film processing is almost certain to increase by at least 10 per cent following the rise in the cost of silver, which is the main light-sensitive ingredient in making both black and white and colour films.

The rise is being regarded with concern by both film producers and camera makers, since over-capacity in the camera market is already damaging camera manufacturers who are desperate to increase sales.

For many years film producers have been trying to find an alternative to silver as the light-sensitive element, but so far none has proved as efficient as silver in reacting to light.

Kodak has been trying to encourage its largest users such as hospitals—X ray films have the highest silver content of all films—t oinstall silver recovery units since the majority of the silver is recyclable.

However, the worry is that amateur photographers who only take holiday snaps will be deterred from even indulging during the annual vacation. The UK is already rated as one of the countries in Europe with the lowest ownership and use of cameras. On average, UK camera owners take only 20 pictures a year and the rising cost of film is bound to have an effect this summer.

Prices of antiques unaffected

BY PETER ASPDEN

DEALERS REPORTED no dramatic changes in the prices of antiques.

Although Sotheby's said there is a "noticeable" increase in the number of gold objects it has been offered for sale, such as cigarette cases and lighters, there has been little reaction in the demand for more valuable items.

Dealers say there is never a very strong correlation between the price of a metal and the price of antique items which contain that metal, as the value of those items is generally based on their rarity and certain Victorian pieces which aesthetic appeal.

The exception to this is have such a large amount of silver in them that they are directly affected by changes in the price of the metal.

The gold price increase has however encouraged people all over the country to offer less valuable objects such as pocket watches, rings and coins to cash in on their metal value.

Johnson Matthey said: "The last three days have been absolutely hectic," as queues outside their stores have continued.

Short life electric plating likely

BY ELAINE WILLIAMS

IN THE electronics industry, equipment and components with shorter lives are likely to result from the rise in the price of gold.

Gold is used extensively in the electronics industry to make electrical contacts. It is usually plated onto materials such as phosphor bronze used in electrical connections on equipment and components to prevent tarnishing, which prevents them from working properly.

Quality

In most wires and connectors of the quality required for professional electronics, the gold plating is usually 5 millionths of a metre thick. Many in industry believe this thickness will have to be reduced by about half because of the high cost of gold. This means life expectancy for a piece of equipment could fall from about 20 years to a mere five.

Not material with properties as good as gold has been found for this purpose, though manufacturers are using other materials such as palladium and tin/lead alloy in some applications.

Consumption

Worldwide use of gold in electronics is substantial—85 tonnes a year are consumed by the industry. In Britain, about 18 per cent of all gold retained in the country for industrial use is used for electro-plating. In Europe, 30 tonnes a year is employed for the purpose.

Gold is also used in silicon chip manufacture for bonding the tiny chips to the metal legs which connect them to the outside world. Over the last few years, there have been moves to use silver instead, though high quality components still tend to use gold.

Goldsmith forced to cut jewellery stock

BY LISA WOOD

SARA JONES, a self-employed silver- and goldsmith, is being forced to reduce the amount of jewellery she has for sale when she opens her first shop in London this spring.

"Now that the prices of precious metals are so high, I cannot afford to buy as many raw materials to make my jewellery. Stocks in the new shop will not be as high as I intended," said Miss Jones.

She may be forced to ask her bank manager for a loan—a step she would not have foreseen when she started planning the shop. "Mind you, it would not be a high risk loan. I don't think prices will drop. It is rumoured in the trade that gold could go as high as $1,000 an ounce during the next year," she said.

She has been in the trade for eight years and makes a wide variety of gold and silver articles ranging from silver rings, priced at about £1, to gold goblets, which cost more than £3,000. Her main outlet is a stall at the Camden Lock market, London.

"My prices will go up this weekend, but they cannot reflect the increase in the price of the raw materials. The public simply would not buy if I did that. I will slowly have to adjust prices."

She enjoyed high sales this Christmas and has started the New Year with very little stock. She is having to buy raw materials at the new prices, and said she would probably stop making the higher-priced gold jewellery and goldsmithing until she saw how the public adjusted to repricing. Costing and pricing of goods is also made more difficult by the uncertainty of gold prices.

Others in the industry have predicted that much more jewellery will be made of base metals such as titanium. Mr. Alf Ward, head of the Jewellery and Silversmithing department at the Sir John Cass School of Art, London, said many of his students were working in plastics, stainless steel and nickel.

His students face particular problems since they are being forced to abandon working in precious metals. Prices have increased but their grants and allowances for materials remain relatively static. "The only way students and young people in the trade can work in precious metals now is if they are commissioned to make a particular object," he said.

The $21m fortune lying in the nations' teeth

ABOUT 5 per cent of all gold supplied to the Western world ends up safely deposited in our teeth. So, with the fluctuating price of gold, the date of the next dental appointment could be as important for the pain the bill will cause for treatment outside the National Health Service as for the relief of the toothache itself.

In 1978, 1,741 tonnes of gold was supplied to the West, of which 87 tonnes was stored away in our cavities, crowns and bridges. At $600 an ounce this represents $21m a year of gold put into people's teeth.

As the price of gold has jumped from $174.50 on January 2 in 1975 to $630 an ounce on Thursday, the value of heavily repaired teeth may slightly compensate for the lack of the more aesthetic "pearls" of nature.

The gold used in dental work contains up to 80 per cent of the pure metal, so work done even a year ago has, theoretically, more than paid for itself. However, rebates for gold in teeth later extracted are unknown — so far — although one Knightsbridge dentist said yesterday that if the price continued to rise all that might change.

One London supplier to the dental profession said yesterday that his company was trying to keep out of gold as much as possible because of the problems caused by speculation. They were keeping minimum stocks and trying to use suitable semi-precious metals as alternatives.

Not all dentists agree that alternatives are as good as gold, particularly for bonding. They regard gold as far superior to everything else for pins in porcelain crowns, for example, and in this field the use of gold within the National Health Service has been increasing in recent years.

CLEGG AWARDS DISAPPOINT

Unions critical of £311m pay rises for nurses

BY GARETH GRIFFITHS, LABOUR STAFF

THE CLEGG pay comparability commission yesterday criticised the relative decline of the pay of Britain's 491,000 nurses and midwives over the past five years and urged that such a slip should not be repeated.

However, as with the commission's earlier findings last year for the local authority manual workers and ambulancemen, permanent indexation of earnings is ruled out. Instead the commission has suggested that the nurses' pay negotiating body, the General Whitley Council, should consider relative pay levels in future negotiations.

The findings, which will be implemented by the Government at a cost of £311m in a full year, are to be paid in two equal parts from August 1 last year and April 1. As part of last year's pay settlement £2.50 on account was paid to qualified and £2 to unqualified staff.

Middle nursing grades of the 491,000 nurses and midwives come out best with ward sisters getting a 25 per cent increase. This reflects the commission's view that they are the key grade in the National Health Service.

The increases mean that sisters' minimum pay goes up from £3,758 a year to £4,698 and maximum scales from £4,819 to £6,024 a year. Staff nurses and enrolled nurses receive increases of 23 per cent.

Staff nurses will earn from £3,715 to £4,530 a year compared with their previous range of £3,020 to £3,683. Enrolled nurses' pay goes up from £2,720 minimum to £3,346 a year, to a maximum of £4,036 compared with the previous top rate of £3,346 a year.

Nurses at the top of the scale—regional area and divisional nursing officers—do not receive any increases. They had already received rises from the Speakman report. Their pay scales as at April 1 last year ranged from £8,247 to £16,815 a year.

Nursing auxiliaries receive increases ranging from 4.3 per cent to 14.2 per cent, with minimum rates being increased from £2,043 to £2,507 a year and maximum rates from £2,811 to £3,209.

Students who make up more than a fifth of nursing and midwifery staff, receive rises of 17 per cent. A first-year student nurse will have an increase from £2,348 to £2,747 and a third year student completing her studies a salary of £3,000.

The commission recommends that existing pay relationships for such grades as deputy nursing sisters, principal nursing officers, nursing cadets and nursery staff be maintained and pay levels adjusted accordingly.

Health service unions all expressed disappointment with the awards. One member of the staff side of the Whitley Council argued that the levels showed the commission did not understand what nursing was about.

Mr. David Williams, assistant general secretary of the Confederation of Health Service Employees and chairman of the staff side, said an average award of 59 per cent was needed to bring nurses into line with other professional groups with similar qualifications and responsibilities.

The unions have been highly critical of the way the commission in its findings has used a factor analysis of the jobs. This meant taking into account the amount of decision taking, problem solving, training and professional skills of nurses and midwives and comparing them with those of a data bank of mainly non-manual workers' pay rates.

He was doubtful if the awards would mean an increase in recruitment similar to that experienced after the 1974 Halsbury award.

Management and staff sides are to meet on Tuesday to discuss the report. The staff side wants clarification on the payments on account made since last April.

Dockers refuse to load steel tubes

BY PETER O'CONNELL

DOCKWORKERS at Hull have refused to load steel tubes from BSC on to the Patrisian, which was bound for East Africa. Pickets were at the port's gates yesterday.

At Goole, the British Transport Docks Board reported that the local TGWU branch had agreed to load a shipment of steel on Monday. But last night the union changed its mind. Imports of steel will be unloaded but will not be allowed to get further than the dock's sheds.

A cargo of BSC steel left Newport, where the docks were working normally yesterday.

At Port Talbot, one vessel was due to unload iron ore next Tuesday, but the train-drivers there are BSC employees who are on strike.

Teams of steelworkers from Corby and Sheffield picketed the small ports of King's Lynn and Boston on the east coast of England. No further imports or exports of steel were expected.

British Road Services, biggest carrier of steel by road, announced it was unlikely to follow some private haulage companies and lay off drivers. BRS's work for British Steel accounts for only a small proportion of its total business.

A spokesman said the situation might change if steel shortages hit the distribution of finished steel products from the car-assembly industry.

Maurice Samuelson writes: Early lay offs are expected in the refractories industry if the steel strike is not called off soon. The industry makes the heat resistant lining bricks for blast furnaces. It has a workforce of 10,000 and 60 per cent of its output goes to the British Steel Corporation.

Although no lay-offs have been reported, major companies are studying the situation from day to day. Leading manufacturers include GR Stein, part of the Sheffield-based Hepworth Ceramics; Steetley Refractories of Hartlepool; and the Dyson Group, with plants in Sheffield and Scotland.

GR Stein said it might have to suspend the guaranteed week's work for a considerable number of its 2,600 employees if the steel strike became protracted.

Sacked BL worker offered TUC help

BY OUR LABOUR STAFF

THE TUC-staffed Independent Review Committee has offered its services to help a sacked BL coppersmith regain his job after a dispute involving the engineering workers' union and the National Union of Sheet Metal Workers.

The committee, chaired by Lord Wedderburn, professor of commercial law at the London School of Economics, has offered its help as a conciliation body to the coppersmith, Mr. A. Jones, and the two unions, if required, to help Mr. Jones get back his job at BL.

Mr. Jones told the committee that on re-joining British Leyland in 1977 he told the local branch secretary of his union, the Amalgamated Union of Engineering Workers, that he was dissatisfied with it and wanted to resign from it after previous difficulties when he was formerly employed by British Leyland.

There was a closed shop at the plant, so Mr. Jones said he approached the sheet metal workers' union for membership. This was granted after the full time allowed under the TUC Bridlington disputes procedures had elapsed.

The local branch of the engineering section of the AUEW later said that the union did not accept that Mr. Jones had resigned from its ranks, and that his NUSMW membership was therefore contrary to the Bridlington procedures.

The NUSMW then cancelled Mr. Jones' membership, which led to disputes and then strike action by other sheet metal workers at the plant who refused to work with a non-union coppersmith. He was dismissed after a disciplinary hearing, and then asked the committee to confirm his membership of the NUSMW.

The sheet metal workers' union told the committee that it had cancelled Mr. Jones' membership because his application form contained false statements, particularly about his AUEW membership.

The union stressed that he should make his peace with the AUEW, as to do otherwise would inevitably lead to a dispute at BL.

The committee decided, though, that the NUSMW had not properly undergone the procedures to terminate his membership and that the cancellation was therefore invalid.

THE WEEK IN THE MARKETS

Resisting King Midas

The astounding performance of gold bullion has overshadowed all else in the financial markets in the first week of the 1980s. All very well if you hold a pile of Krugerrands, but the leap from $565 on Wednesday evening to $850 on Thursday morning reflects conditions that are basically inimical to financial investments—heightened international tension over the Soviet invasion of Afghanistan, and a growing distrust of paper currencies.

Overall, though, the London stock market has weathered the storm quite well. Although equities dipped below 400 on the *F.T. 30-Share Index* at one point on Thursday morning, and gilt-edged met selling pressure, a rally began later that day.

For one thing, gold seemed to be pausing for breath (yesterday it fell back below $600). And there was some encouragement to be gained from the behaviour of the steel unions, which allowed the market to hope that the strike would not last too long.

Another consolation has been the behaviour of sterling, which was not hurt in the rush out of dollars into hard currencies as gold rose. The pound is far too strong for the equity market's liking, but signs of serious weakness in Thursday's disorderly *markets would not have helped.* shadowednineteenwzDol5d

But the resilience of equities has only been relative. On the 30-Share Index the market has traded at new 1979/80 lows, and even though there has been no panic selling, there has been *switching from industrial into* gold shares.

Hopes deferred

Cheshire truck maker Fodens is short of many things, notably profits. But one quality not lacking even in the face of £1.73m first-half losses in optimism. The question is how long that optimism can remain? For the moment, it would seem to vie with speculative interest as the main strength underlying a surprisingly resilient share price.

This year was, like last year and next year, to have been the point at which Fodens turned the corner and found *prosperity.* In the event, the engineers' strike is the villian of the piece, adding £1.2m to first-half losses.

High interest charges are another factor: though by the half-way stage rates had not seen the year's peak, *boding ill* for the second six months.

Chief executive Bill Foden concedes that the engineers' strike brought the day of judgment dangerously near. The proximity of disaster is clear enough from Fodens' balance-sheet. The current level of borrowings is undisclosed, but it is unlikely to have fallen below the March, 1979, level of £12m.

LONDON

ONLOOKER

Shareholders funds are now around £9.1m while the market capitalisation at 35p is £7.2m.

For truck makers, this is not a good time to be in bad shape. Some analysts are expecting a *drop of eight* per cent in West European truck demand in 1980, and say that 1981 will be dull too. Fodens plant is currently producing 55 trucks per week, slightly better than break even but well below capacity *of 130. The October* closure of its in-house gearbox manufacturing reflects its disadvantage against larger producers when it comes to economies of scale in component production.

When Fodens was in dire straits four years ago, City *institutions* rallied *round* to bail it out with a £3m equity injection. The company says that there is now no question of a further request for funds.

Horizontal hold

After a five-year period over which pre-tax profits, before exceptional items, achieved a compound growth rate of 34 per cent, the Electronic Rentals Group figures for the first half *of 1979-80* were a big disappointment to the market. Before the exceptional items, profits rose from £8.9m to *only £9.1m*, and the share price responded by faling 8p to 87p on Thursday.

The reason for the poor performance was the acquisition in December 1978 of BRW. Quite apart from the exceptional £3.5m cost of rationalising the acquisition, the borrowings associated with the takeover proved much more expensive than had been estimated.

Interest rates are now 6 points higher than had been *budgeted*, and the group took on about £45m of floating-rate loans to buy BRW. This is the *main reason for the big drag on* profits caused by the rise in interest charges from £1.6m to *£5.8m.*

A further penalty attached to BRW was that consolidation took four or five months longer to complete than forecast. The BRW contribution was therefore very limited over the period. Part of the reason for the delay was the increase in VAT after the Budget, which complicated the transfer of customers.

The outlook for the whole year is unlikely to prove much brighter, since consolidation has *only now been fully achieved* and the interest burden is unlikely to ease in time to have *any real effect. In the* longer term prospects are better, since the high density of TV sets per outlet puts the group in a strong competitive position.

Temper temptation

The strike at the British Steel Corporation leaves the 100-odd independent steel producers in an ambivalent position. Most plants have been running below capacity for an appreciable time and the chance to fill the void left by the nationalised giant must be extremely tempting.

The impact of the dispute on the private steel sector has varied widely. For Firth Brown, the steel making arm of Johnson and Firth Brown the effects are expected to be minimal over the short term. Its specialist production scarcely overlaps with BSC and picketing at the Sheffield works has so far been peaceful.

The incidence of picketing has been sporadic. Duport, for example, has been entirely untouched and other companies have been reporting that union representatives outside plant gates are filling the role of observers as much as anything.

Private producers are most anxious not to inflame or extend the dispute. Mr. J. M. Paterson, a director of Duport and recently elected President of the British Independent Steel Producers Association has been advising members not to exploit the problems of BSC. Normal production is the order of the day and while stocks, said to be at reasonable levels throughout the industry, hold out it is unlikely that the independent sector will be either materially helped or hindered.

MARKET HIGHLIGHTS OF THE WEEK

	Price Y'day	Change on Week	1979 High	1979 Low	
F.T. Ind. Ord. Index	413.9	− 3.9	558.6	406.3	Subdued interest
Gold Mines Index	280.2	+10.2	303.1	129.9	Sharp rise in bullion price
Barlow Rand	340	+22	365	215	Record gold price
Berisford (S. & W.)	151	− 7	224	136	Preliminary results due soon
Birmingham Pallet	39	− 7	93	39	Lower profits, dividend cut
Bowring (C.T.)	123	− 7	148	98	Legal action against U.S. bidder
Cons. Gold Fields	414	+32	422	178	Sharp rise in bullion price
De Beers Defd.	470	+49	500	332	Currency hedge buying
Electronic Rentals	87	−10	142	75	*Interim statement*
Fairview Estates	180	−13	248	139	Gloomy outlook for housebuilders
GKN	241	−11	308	226	Concern over steel strike
Johnson Matthey	230	+25	260	183	Boom in precious metal prices
MIM Holdings	230	+22	238	134	Rise in base/precious metals
Northern Mining	136	−17	165	45	Adverse Press cmmt. 'down under'
North Kalgurli	48	+ 8	53	4½	Sharp rise in bullion price
Rustenburg Platinum	254	+46	275	94	Surge in free market platinum
SASOL	163	+15	175	118	Hedging demand in wake of gold
Tanks	252	+24	274	158	Strong base-metals
Tebbitt Group	17	+ 9	17	7½	John Baker acquires 21% stake
Zambia Copper	50	+15	54	9	Firm copper/Rhod. ceasefire

Shares for a long haul

MINING

BY KENNETH MARSTON

"EVERYONE'S gold crazy," screamed one headline on Thursday when the price of the metal soared afresh to close at a record price of $630 per troy ounce. At the end of last week it had been $510 and at the end of 1978 it was $266.375. Yesterday, however, the inevitable reaction brought the price back to $590.

Silver has shown an even *more dramatic advance over the* past 12 months and platinum has been strong as well. Perhaps it is not so much a case of people being gold crazy as of events outside their control in the political and economic scene having gone haywire. And all this comes at a time when I promised to give some investment guidance for 1980.

Looking first at Gold shares, we have to remember that the monetary and political problems that have fuelled the demand for bullion have not yet been solved and that there is no rule *in the* book that says the price cannot go even higher.

But a setback after the recent *strong advance is* a reasonable expectation and it would surely depress the prices of Gold *shares despite their high yields.* It may thus be time to consider taking a profit on a portion of Gold *share holdings but keeping* the remainder, if only for the high return on capital invested.

This week's table indicates the dividend revenue being provided to those who bought Gold shares at the *time of my* recommendations last year. The yields are based on the share prices paid at that time.

They show, firstly the return in dividends declared over the past 12 month and, secondly, the estimated further return in 1980 dividends: the latter have been estimated by stockbrokers Williams de Broe who have based their forecasts on a gold price of $450.

Thus, if you had invested £100 in Libanon shares when they were recommended here last January at 423p each you would have received dividends equivalent to £19 gross. If the brokers' forecast of dividends and gold price are *correct, you* stand the chance of receiving a further £42 gross on your money this year. Alternatively, if you sell your shares now your *original* £100 will be worth about £170 before expenses.

President Steyn have done even better. The price has doubled over the past 12 months; there has been a gross return of 15 per cent from earnings made during the company's past financial year when the gold price averaged only $290; and the shares could return 38 per cent or more this year on your original capital investment.

Where do we turn for new investment? I suggest that we look towards the end of the world recession and prepare *ourselves for what* in the long run could be an investment prospect every bit as exciting *as we have had in gold. We must* be patient, accept a modest current return on capital and look *instead towards* the capital appreciation which could be slow in coming.

My investment suggestion for the 1980s is thus gradually to accumulate shares of the strongly financed base-metal producing giants which have the great assets in these days of soaring capital costs, of paid-for mining operations or mineral deposits that are ready for development.

Because of low metal prices and the lack of security for capital invested in the developing countries, relatively little major new mine development has taken place over the past *three years.* Eventually, this will have to be corrected; a shortage of metals would hit the world even harder than the oil crisis, because there is no substitute for metal.

The cost of opening *up new* mines in the future will be very high indeed—already it is reckoned that the copper price is some 30 per cent less than the level needed to justify going ahead with a major new mine—and they will require a lead *time to production* of anything up to 10 years.

The newcomers will also have to face the *growing objections* of the formidable environmental lobbies. It is arguable whether such groups, whose power has been largely fostered by the media, are any less *selfish* or more willing to compromise than the bigger establishment that they attack. At all events, everything points to far higher prices for metals in the future.

Of the companies that are well-placed to take advantage of the situation, I still vote for America's Amax diversified natural resource group with some 75 per cent of its plant and equipment being less than six years old.

Alternatively, there is London's Selection Trust which besides holding an 8.3 per cent stake in Amax has its own exciting mining developments. Although having come up from 506p when last recommended here in November, Selection Trust at 590p are still worth picking up.

Another favourite of this column that must still rate as a purchase for the long term is **Rio Tinto-Zinc**, while Canada's **Noranda** also comes into the picture. So, too, must the South African coal giant **Anglo American Coal Corporation**; I believe that for the 1980s, at least, coal is a better bet for investment in the energy field than uranium.

Share prices in Australia have been boosted by the weight of investment funds there which have been effectively locked in the country by exchange controls. For the overseas investor the resultant rise in prices has thus been off-putting when there appear to be better bargains elsewhere.

But so attractive are the mining possibilities in Australia which has no political disadvantages—unless, perhaps, for Pommie cricketers—that I have recommended **Western Mining** and still do. The shares rate as an excellent "lock-away," particularly in view of the company's 51 per cent stake in the massive Olympic Dam copper-uranium-gold discovery at Roxby Downs which could become the mine of the century.

Finally, if you are short of funds you might take some profits on the antimony-producing **Consolidated Murchison** which were recommended here in January at 240p and are now 340p. They could go higher, but when good profits are there for the taking it does not always pay to hang around too long in the *more volatile stocks.*

How Gold shares can pay for their keep

	Price at 6/1/79	Price now	Dividends declared in 1979	Yield % on price at 6/1/79	1980 est. divs. on gold at $450	Yield % on price at 6/1/79
Libanon	423p	725p	*150c	19	330c	42
P. Steyn	653p	£13¾	182½c	15	460c	38
Stilfontein	296p	575p	135c	25	260c	48
West. Drie.	£21½	£31	*715c	18	1,050c	26
W. Areas	134p	297p	47c	19	100c	40
W. Holdings	£16	£23½	645c	22	970c	33
Figures based on 19/5/79 price recommendations.						
Hartebeest.	£15¼	£25	*590c	20	750c	26
Vaal Reefs	£16¾	£28½	*370c	12	800c	26
Venterspost	273p	445p	*95c	19	180c	36
Figures based on 16/6/79 recommendations.						
Buffels.	855p	£12¾	*280c	18	530c	34
Harmony	387p	745p	*138c	19	240c	34

* Final dividend for current financial year awaited. Dividend total shown comprises latest interim added to the *last final.* The 1980 estimated dividend totals arrived at on a similar basis.

NEW YORK

STEWART FLEMING

Exotic names in the market

WALL STREET'S stock markets struggled this week to assess the implications of the deteriorating world *political situation and the* frantic speculation that erupted in the precious metals markets.

The most dramatic sign of the emotional turmoil which shook *investors appeared on Wednes*day morning. Within a few minutes of the opening of the stock market it was apparent that the speculation in the metals markets was threatening to spill over into the stock market.

Over a dozen stocks, some with more tenuous links to the precious metals business than others, saw a flood of buying orders which overwhelmed specialists on the stock exchange floors, forcing officials to suspend trading in several stocks.

To all but the experts the names of the companies whose shares were in such demand had an unfamiliar, in some cases, exotic ring—hardly surprising since most are small concerns with sales of under $100m a year.

Typical of the shares which came into demand where Giant Yellowknife Mines, Cambell Red Lake, Sunshine Mining, Hecla Mining, Homestake Mining and Benguet Consolidated.

Benguet, a company with sales revenues of $85m and profits of $10m in 1978 headed the list of most active stocks on the New York Stock Exchange. More than 684,000 shares of the small Phillipine Gold Mining Company changed hands.

Behind the frenetic demand for these shares lay the lust of small investors for even an indirect stake in the soaring market for precious metals. The more sober Wall Street analysts, even those who follow mining shares, quickly concluded that the frenzy was irrational, akin, in the eyes of Mr. Iredell Iglehart of Donaldson Lufkin *Jenrette, to 1978's* frantic splurge in gambling issues.

As so often happens too, it *seemed that many of the specu*lators were getting in on the action too late. One of the most popular plays was Hecla Mining, a silver mining company. Its sales revenues in 1978 were $31m, a year in which it recorded a $97m loss.

But soaring silver prices have brightened its prospects and a profit of around $20m is forecast by some analysts for 1979.

Its shares were the best performing single issue on the New York Stock Exchange last year rising from $5 to $47⅜.

The fevered buying of tiny *mining stocks contrasted* sharply with the fear manifested by the big institutional *investors, though share prices* have stood up well to the threatening international situation. But now the market is much more nervous.

On Wednesday, reflecting selling pressure across the market, the Dow Jones industrial average slumped over 14 points, its heaviest one day loss since the aftermath of the Volcker measures in October.

Thursday morning saw a wave of selling orders hitting stocks which big institutions such as major oil companies hold. Again some stocks had to be temporarily suspended. Some *of the issues affected by selling* have seen big gains in the past year.

Shell, Standard oil of California and Atlantic Richfield registered percentage rises of 69 per cent, 20 per cent and 41 per cent in 1979. In the face *of the international uncertainty* evidently some investors were deciding to lock in some of their profits.

By the end of the week the broader market appeared to be settling, but there is little confidence that the calmer conditions *will last. International* events defy rational economic analysis which is what Wall Street's investment analysts are paid to do.

But the week's developments have demonstrated that the threatening world political situation can feed into the U.S. financial markets directly through the performance of the dollar on the foreign exchange markets.

As one institutional investor *remarked, at such a time of un*certainty there is little incentive to undertake heavy commit*ments in either bonds or* equities, especially when funds can earn 13 or 14 per cent in *the short term Money markets*

Monday—off 0.17 at 838.74
Tuesday—Holiday
Wednesday—off 14.17 at 824.57
Thursday—off 4.26 at 820.31

FINANCE AND THE FAMILY

A testator's domicile

BY OUR LEGAL STAFF

What are the correct testamentory measures to be taken by a British subject who owns, in addition to shares in the UK, shares issued in other countries?

What is material is not the nationality of the testator, but his domicile. Movable property can be disposed of by a will which is valid according to the law of the testator's domicile. There are provisions under English statutes which would render valid in form a will of a British national made in accordance with the requirements of English law, but whether the dispositions are effective is still a matter for the law of the place of domicile. In practice it is wise to have duplicate wills, one in English form and one in that of the place of domicile. If the shares are those of a company in yet another jurisdiction it should not be necessary to consult that law as well.

Registered for Bearer Shares

A major public company making a one for one scrip issue has given me registered shares against my bearer holding. This matter was not notified in the resolution which referred only to "paying up in full and issuing Ordinary Shares." Can the company legally disadvantage the holders of Bearer Shares?

We think that the reference to Ordinary Shares in the notice of issue was sufficient to inform shareholders that the scrip would not be in the form of bearer shares, especially as Exchange Control made inconvenient the issue of bearer shares by quoted companies. Nor would the issue necessarily be seen as disadvantaging the existing bearer shareholders, the company being under no obligation to make the issue.

Small estate executor

My mother by her will has named her bank as executor. She has left her estate, which consists of £200 in cash and a few items of furniture to me, on the understanding that I pass some of the furniture to my siblings. Would I not be involved in considerable costs with the bank rather than myself, as executor?

It would be costly for the bank to act as executor—indeed it is likely that the bank would refuse the office where the estate is so small. It would be cheaper for you to be named as executor (which can be done quite simply by a properly executed and witnessed codicil). If however there are no effective assets left aftes the gift to you of the cash and the furniture, probate should not be required at all. But it is essential that the cash should have been transferred to you in your mother's lifetime.

A right to drainage

When my house was built in 1949, the sewerage was drained to a cess-pool in the corner of the garden, with provision for overflow in the field adjoining. Now this part of the field has been sold for building, the vendor having acknowledged orally the existence of the cess-pool arrangements. Has a right been etablished to drain this cess-pool overflow into the field, though this may cause a nuisance to my new neighbour? Should any action now be taken?

We think that the right to drain the overflow into the field will have been established by upwards of 20 years use. However it would be wise to record the position now both by writing to the purchaser of the new plot and informing him of the position and of his Vendor's acknowledgment of it, and by procuring statutory declarations (to preserve evidence) from anyone who can of his own knowledge, speak as to the overflow's having drained into the field.

Constitution of rent

In your reply under Constitution of rent (November 17) do I understand you to say that where a tenant pays rates he cannot claim the protection of the Rent Acts?

Our reply was directed to the position where the tenancy is a long tenancy at a low rent (i.e. a rent of less than ⅔rds of the rateable value); and what we stated was that an exclusive rent of £x could not be deemed to be a rent of £ (x plus the rates). Mere payment of rates by the tenant certainly does not oust the protection of the Rent Act.

Property sale and Capital Gains Tax

On buying an investment property in 1967, before I could let it I had to incur substantial expense in repairing the roof decorations and on fares, postage and advertisements. I sold the property last August and have been unable to get the Tax Inspector to allow these items, despite the fact that similar items were allowed by an Inspector in another district in the previous year. What please is your view?

You should ask the inspector for a copy of the free Inland Revenue booklet on Capital Gains Tax (CGT 8). After reading paragraphs 141 (iii) and 144, you will be able to teach the inspector the law, and to demonstrate that his colleague in the other district was right. If you have any further difficulty, you should ask that your case be referred to the District Inspector (or to Head Office, if by chance you are already dealing with the District Inspector).

Ex-wife's claim on estate

My husband died recently leaving his whole estate to me. I am told that his divorced wife can claim on his estate, including a half share in the house in which I live. What please is my position?

Your husband's former wife can make a claim on his estate, but nothing is laid down as to the amount of an allowable claim. That is a matter for the Court to decide on the merits of the claim, which could be none.

Stamp duty on transfer

I am co-executor with my mother of my fathers will, under which my mother is the sole beneficiary, apart from a small legacy to myself. I am trying to administer the estate on a do-it-yourself basis, and am having difficulties in transferring shares to my mother, without paying stamp duty. A colleague advised me to quote Section 82 of the Companies Act 1948 to a company which refused a transfer, and another said that at any rate a 50p stamp would suffice. What please is the position? Would it be better to have all the shares in the executor's names?

We think that you would need to transfer the stocks and shares to your mother and pay stamp duty on them, since they will not vest automatically on an assent. Section 82 of the Companies Act will only suffice for the executor's interest, not for the transfer to the beneficiary. Stamp duty would be the ordinary ad valorem duty, not just 50 pence. We do not think that leaving the shares in the executor's names would be of any advantage in the long run.

No change in CTT liability

I was executor of a man who died in October, 1977, at which time his house was valued at £12,000 and constituted nearly the whole of his estate. Since then the exemption from capital transfer tax has been raised from £15,000 to £25,000. What happens therefore if the house which I am putting on the market, sells for, say, £16,000?

The price which the property fetches in the open market now will be attributed to the increase in market value since Octboer 1977. There will thus be a capital gain, but no need to adjust the position as to any Capital Transfer Tax payable on the testator's death.

A loan to a son

I am in the happy position of being able to lend my son £100,000 at a low rate of interest in order to help him buy a house. Would he be able to claim tax relief on interest paid to me without our having to ask a solicitor to prepare a second mortgage? He has recently taken a £20,000 mortgage on a new house and the increase in the Building Society interest rate will cause him some difficulty.

The answer is yes, in principle. An exchange of letters should set out the precise terms of the loan, including the dates on which interest is payable and the circumstances in which the loan is to be repaid (as well as the purpose for which the loan is to be made).

No doubt your son has read the free Inland Revenue booklet IR11 (Tax treatment of interest paid) which has been mentioned in our columns from time to time; if not, he should ask his tax inspector for a copy.

There are one or two points to be borne in mind. Is there a penalty for premature reduction of the existing loan? If you need the money later, will your son be able to borrow elsewhere at an acceptable rate? Is there any CTT problem?

Obligations to insure

Who is obliged to insure a country property consisting of a residence and several disused farm buildings, the landlord or the tenant? Is there any obligation for the landlord to provide a rent book in the case of such a tenancy? Would any covenants applicable to the tenancy be recorded in the rent book, so that their absence would be construed to mean their invalidity?

The obligation to insure depends on the express terms of your contract of tenancy or lease. If there are no express provisions as to insurance no one is obliged to insure, though the landlord will doubtless wish to do so. There is no obligation to provide a rent book for a tenancy at a half-yearly rent. Any covenants must be sought in the contract creating the lease, whether written or oral.

What each spouse pays

I recently had an inquiry from the Capital Taxes office, asking me for my net income and expenditure separated from my wife's for the past four years. I would not find this easy, but why does it matter who buys the gin, who pays the rent, or for that matter, the tax? Is there any action you think I should take in this connection?

Although it matters not who buys the gin—unless the pattern of consumption is unusual—it can matter who pays the rent and who pays the tax. If your wife pays (or makes a contribution towards) a debt which is legally yours, she effectively makes a gift to you. If your income is such that you would have little to spare after settling your debt to the taxman *et al*, were it not for the fact that your wife voluntarily contributes her equitable share of your tax bills, you may be hard put to it to show that you can make gifts out of your income (as distinct from making gifts subsidised by the gifts received from your wife).

This is an oversimplification, of course, but you may wish to transfer the legal responsibility for part of the household's debts to your wife (so as to boost your own disposable income) and an election for separate assessment is one of the simplest ways of doing this.

The July 5 deadline for separate-assessment elections is rigidly enforced, so do not leave it to the last day or two.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Bonus share and a will

A testator willed a specific number, say 300, of 25p shares in an investment trust to one beneficiary. Then the shares twice increased in number so that by the time of death there were 900 shares, still of 25p. The solicitor states that the extra shares were "bonus shares," not purchased, therefore the beneficiary is to get all 900 shares and not just the 300 shares mentioned in the will. This is in Scotland. Could I have your views on the proposal to give the extra 600 shares to that beneficiary?

As we understand your letter the testator bequeathed a specific number of shares in one investment he held to a certain beneficiary. Prior to his death certain bonus shares were issued in respect of testator's original investment bringing in round figures the original investment arose from 300 to 900 shares in the company. Notwithstanding that at the date of the testator's death, his will remained unaltered.

In our view it is quite clear and beyond argument that the legacy is restricted to the specific number of shares in terms of the will. The fact that there has now been a bonus issue is irrelevant and the bonus issued shares simply form part of the testator's estate unless separately bequeathed.

Hurricanes do happen . . .

IT IS AS TRUE today as when Higgins first taught Eliza—in Hampshire, Hereford and Hertfordshire hurricanes hardly ever happen. Likewise earthquakes there or elsewhere, but these islands are not totally immune, as witnesses Boxing Day's quake in the north.

Though in Britain we are fortunately mostly free from the severer forms of natural disasters that afflict so many other countries, from time to time heavy rain, or rough seas, or both, bring widespread flooding—of the kind experienced in the week after Christmas.

Depressing as the television newsreels have been, even more so have been the comments of some of the flood victims—"No, I'm not insured, I forgot to renew" — "I've never been insured"—and so on. Do people never learn?

Almost every year during the seventies, there were floods somewhere in Britain, and of course, until the Thames barrage is complete in two years or so, the threat of flood hangs over London some dozen or so times a year.

There is no reason why the ordinary citizen should not insure his house—buildings and contents, fully, against flood. Following disastrous floods along the east coast in 1963, insurers gave government an undertaking in respect of domestic home insurances, that flood cover would be readily available.

Home "buildings" contracts vary. Some insurers (fewer and fewer) provide buildings insurance excluding flood, but are ready to include cover for a nominal rate per cent, even though the home may be in an area vulnerable to flood. On the domestic front insurers do not rate up for extra risk. But nowadays the majority of insurers include flood cover, along with cover against storm, subsidence and other natural hazards. The word "Buildings" of course is defined: normally it includes all outbuildings that are not an integral part of the home howsoever constructed—but it does not include gates and fences.

Whether this flood cover is included, or only added on request, insurers require the policyholder to carry a small excess—to pay for the first few pounds of any claim out of his own pocket. For a long time this excess was fixed at £15—and having regard to the pace of inflation, since £15 was first set, something in the region of £75 is realistic nowadays. Nevertheless, no insurer has yet grasped this inflationary nettle—the £15 excess is still widespread, and no insurer seems to be setting his sights beyond £25.

Turning to contents cover, practice is to provide insurance against weather damage without excess—and "contents" is by definition a wide term, including contents not only of one's home, but of one's garage, garden shed, greenhouse or whatever. So provided his home contents sum insured is adequate, the policyholder's claim for storm or flood damage—whether to furniture or garden implements—should be met in full.

What of damage to decorations, as distinct from damage to the fabric of the building or to its contents? The basic question here is, what is the policyholder's status? Owner-occupier or tenant?

The owner-occupier must claim under his buildings policy for the cost of repapering or repainting—and so he must pay either the first £15 of the cost or whatever larger excess insurers impose. By contrast the tenant has to claim under his contents policy, which protects him insofar as his lease makes him liable for decorative repair.

INSURANCE

JOHN PHILIP

Here also it was customary for insurers to impose a small excess—traditionally £15—but such is the divergence of "contents" contracts that nowadays this cover may be provided free of excess or perhaps with a larger excess.

Caravans are always more at risk from the weather than are orthodox homes, but modern insurance practice is to provide "all risks" cover on both caravan and contents subject to a few stated exclusions. Thus, for the individual owner or user caravan cover is rather like "comprehensive" motor insurance—all kinds of accidental loss or damage, including storm and flood, are insured unless insurers say otherwise—and otherwise, more often than not, includes a £25 excess. This kind of caravan cover can usually be arranged by the home policyholder, as an extension of his home cover, though separate policies are widely available.

Insurers' undertaking to include flood cover in contents policies without extra charge, and to provide flood cover on buildings for only a nominal premium is strictly confined to domestic insurances. There is no such undertaking for any kind of commercial cover—be it on shops, office or factory.

The commercial policyholder must pay for cover against flood or other weather perils, according to insurers' assessment of the risk involved—particularly the location of the premises, and the susceptibility of the stock and equipment therein to water damage. In the extreme case, flood cover may be unobtainable for the most hazardously sited commercial risk.

This distinction between commercial and domestic cover emphasises just one aspect of the remarkable deal given by British insurers to home policyholders. What is surprising is that so many people still refuse what is readily obtainable.

Small investors

IF IMAGINATION failed or generosity triumphed your children may well have received cash for Christmas. If this is the case, you may well be wondering how to stop them spending it all at once.

Here then are a few savings ideas for the modest and not so modest recipient. (The sums are, of course, arbitrary and the suggestions are by no means mutually exclusive).

Five pounds. If you plan to put the money in some sort of deposit account, you should bear in mind that interest paid on money given to a child by a parent should be included on the parent's tax return. Interest on money given by a grandparent or other relative outside the family, however, is tax free. Although the saving may be minimal where small amounts are concerned gifts from those other than parents should not be put in a building society where interest is paid net of tax.

The National Savings Bank investment account, which currently gives a gross return of 15 per cent, is perhaps the best bet.

Bright ideas about how best to make use of £5 in the savings arena are few and far between—but one possible solution is to buy £5 worth of premium bonds. This is now the minimum amount you can purchase but your stars will have to be in the right firmament if you are to benefit.

The chances of someone with £5 worth of bonds winning a single prize (anything from £50 to £100,000) are a staggering 19,000 to 1 each time the draw is made.

Children incidentally have to be 16 to be able to buy a premium bond—otherwise it is up to a parent or guardian.

Fifty pounds. At this level the options become a bit wider. The longer term saver could wait until February and purchase the new 19th issue National Savings certificate from the National Savings stable. This will be on sale in £10 units which at the end of five years will be worth £16.35p equivalent to a tax free compound return over the period of 10.33 per cent.

While this is an attractive rate to all taxpayers, it is not much use to children who pay no tax or do not expect to pay tax in the next five years. Nor are the rates of return attractive if you are not prepared to leave the money there for five years.

For the shorter-term saver a building society, bank or National Savings account is probably the answer. If you choose a building society, the ordinary account at 10.5 per cent net pays slightly less than term shares but it allows greater flexibility and immediate withdrawal.

For budding housebuyers there is the added enticement that at some stage your account *may* help you get a mortgage.

A further possibility, if you are prepared to risk losing some of the money, is to invest it in the stock market through a unit trust. M & G, for example, allows small investors to open a savings plan account for any sum over £10. Gartmore's Moneybuilder serves the same purpose.

You can choose any of M & Gs' funds but for small sums it could be an expensive privilege—while you can add new money at any time the acount costs £5 to open on top of the usual initial and annual management charges. There is no special levy at Gartmore where the minimum investment is £25.

Five hundred pounds. At this level there is considerably more scope for the brave. You could, for example, speculate by buying a Krugerrand—though given the rocketing price of gold in the past few days you will need more than £500 if you want to buy more.

A sum of £500 is certainly enough to invest directly in many unit trusts or investment trusts but again remember—stock markets are unpredictable and the value of this capital would fall as well as possibly show a handsome gain.

Children under 14 are not legally entitled to hold units intheir own name but the answer here is to open an account in the name of the parents and designate it to the child.

Tim Dickson

UNIT TRUST AND INSURANCE OFFERS

YOUR SAVINGS AND INVESTMENTS

Barry Riley prepares a 1980 portfolio

Limiting the risks

WHETHER portfolio selection is a matter of skill or luck is something the investment theorists regularly debate. In setting down a selection of shares for 1980, I am aware that there is much to be said for the theory that a portfolio constructed with the aid of an erratically projected dart and the FT back pages pinned to a wall is at least as likely to perform well as the carefully chosen list of an "expert."

Yet there is no doubt that it is an interesting exercise in itself, and poses a challenge. Success or failure can be measured. And they will be measured against the FT-Actuaries All-Share Index, not the less buoyant and more narrowly based 30-Share Index which certain city editors (no names) have been shamelessly using as a yardstick for portfolios packed with oils, financials and overseas shares.

If the exercise is to succeed at all, without resorting to unmarketable penny stocks, it is necessary to take a clear line on how the economy is going to develop, and how the stock market will reflect that trend. Major fluctuations can occur in particular sectors of the market even when the overall indices are not doing anything particularly exciting.

Last year, for instance, the most broadly based index, the F.T.-Actuaries All-Share, finished just 4 per cent higher than it began. Yet that aggregate steadiness disguised significant falls in sectors like engineering, pharmaceuticals and textiles, while there were big gains in oils and food retailing—not to mention gold shares which are excluded from this index.

Although 1980 has got off to a turbulent start, I would judge that the overall prospect for share prices is rather better than it was a year ago. It is also quite likely, however, that prices will go lower before the turn comes, and that the company sector will go through a thoroughly sticky period for profits and liquidity.

For that reason, my portfolio does not include any risky shares. It is true that in tricky conditions such as we are now entering the best performing shares are those of companies which do not actually quite go bust after all. Yet if the market is as firm in the second half of the year as I think it may well be, it should still be possible to achieve decent gains without running the gauntlet of the receiver.

What are the guidelines for 1980? First, I am not going to jump at this late stage on the oil and gold bandwagon. In spite of all the OPEC crude oil price excitement, the oil sector index has fallen well below the peak hit last October and it is time to be cautious. Gold's upward spiral has been self-sustaining; but so will be its downward spin.

It will be a year of world recession, and that will inevitably affect the British economy. The main bull factor in 1980 is likely to be a decline in interest rates—even though it may take a little longer than many are hoping, while inflation will stay uncomfortably high.

So one area to concentrate on will be financials (though not the clearing banks) and the sectors which are traditionally associated with the early stages of a cyclical recovery like building materials.

I therefore start the list with Union Discount, a discount house which has weathered the very difficult conditions of 1979 to come through in good shape, and which would benefit strongly from any fall in money rates. From the building materials list I select Redland, partly because of its high quality British operations, and partly because its earnings have an important overseas element.

Overseas exposure, I believe, will be more important in 1980 than it was last year when sterling held up so well. There is at least a possibility of quite a sharp break in sterling if the world oil price proves at all weak, and if the Government has trouble keeping its Budget deficit down.

On a double figure yield BAT Industries looks an attractive way of filling part of this requirement. The share price had a rough time last year under the influence of sterling and the massive disposal by Imps, but a better phase could lie ahead.

I am also attracted by Japanese equities, on the view that even if the underlying shares do not perform the yen will appreciate against sterling. A number of good quality Japanese unit or investment trusts would qualify, and I am plumping for GT Japan.

In the domestic economy, conditions will be difficult but people will continue to eat and drink, and there is not the threat of price controls which proved so damaging during the last recession in 1975. In these circumstances I like the look of the food manufacturing sector where margins could be recovering nicely later in the year assuming wage inflation eases off.

I am including two from this sector, Cadbury Schweppes and Ranks Hovis McDougall, both of which have been through disappointing periods but which show promise of improvement.

There are less specific reasons for hunting through the forlorn wasteland of the engineering list. But values here are very depressed, and although there is a risk of disappointing profit figures in the short term, a share like Delta Metal, yielding well into double figures, will more than share in any general recovery.

Finally, a couple of special situations. Thorn Electrical's takeover of EMI has had a devastating effect on its share price, and severe technical weakness has set in following the underwriting of a large number of new shares.

Whatever the wisdom of the takeover, there is now an unusual opportunity to buy into Thorn EMI at an unduly depressed level.

EMI's shareholders have done distinctly better than Thorn's out of the deal so far, and the portfolio should have at least one bid candidate. Although plainly something is likely to happen to Decca this year I fear speculators will be disappointed at the present price.

Instead I turn to Grattan Warehouses, the weak member of an otherwise buoyant mail order sector, in the expectation that either the company will pull its socks up this year or a bidder will move in.

Company	Share price	Price/earnings ratio	Yield (%)
Union Discount	345	—	7.3
Redland	174	7.2	6.7
BAT Industries	235	3.6	10.3
GT Japan	174	24.0	5.7
Cadbury Schweppes	56	6.5	9.1
Ranks Hovis McDougall	42½	5.7	12.0
Delta Metal	53	3.7	15.1
Thorn	280	5.1	6.6
Grattan Warehouses	102	6.5	8.7

Live now, pay later

ONE New Year resolution for many may be: "I must pay all my bills promptly." But should they?

It is all very well to write out a cheque, stick it in an envelope and watch it disappear into the nearest postbox. Hurriedly salving your conscience in this way can in some circumstances be costly.

Take an unpaid income tax demand, for example. Since January 1 the interest charged on various unpaid taxes—among them income tax, capital gains tax and lifetime capital transfer tax—has been increased from 9 to 12 per cent.

For obvious reasons perhaps, these charges, unlike the interest you pay on your mortgage, cannot be offset against income tax so they have to be paid out of net income. For the basic rate taxpayer this effectively means a penalty of 17 per cent.

If you do not need to borrow money from the bank, and can afford to pay the taxman, you will now be well advised to do so. You will be hard pressed to get a net return of 12 per cent anywhere without at least taking some sort of risk.

If you are running an overdraft, the 20-22 per cent interest which you pay to the bank (not tax deductible) is considerably more than it costs to keep the Inland Revenue waiting. In this case it may be better to pay off the bank before the Revenue.

Harbouring thoughts about non-payment of bills or taxes might be viewed with disdain in some quarters. Yet, however unpalatable it may be to some people, a large number of businesses are clearly cashing in at the moment—while the Government is losing out.

It has emerged in the last couple of months, for example, that some companies are being extremely slow to come forward with their VAT payments.

The reason for all this is obvious. There are no financial penalties for the late payment of VAT, apart from the fines laid down under the Finance Act. These consist of a flat £100 plus £10 for every day the VAT bill has been outstanding.

"Because you wouldn't lend me the money to pay the bills now I need to borrow to pay the interest."

Companies get a month's grace from the date of the first demand, after which various friendly, then not so friendly, reminders are sent out.

In these circumstances, the companies argue, why hand over money to the Vatman when you can get 17 per cent gross by putting it on deposit?

What then happens to the private individual who doesn't pay his bills?

Electricity and gas bills. Practice here is standard in most areas of the country. There is no financial penalty for not paying promptly and your local electricity or gas board will not get nasty until at least a couple of weeks after the "final" reminder (printed in red ink).

The authorities do posses the "ultimate deterrent," namely cutting off the supply, and this could be employed at any time. Because of possible hardship, however, they are reluctant to do this unless consumers flagrantly refuse to co-operate.

Certainly, we can consider ourselves luckier than some of our EEC partners—in Belgium the electricity supply is cut off 12 days after a bill is sent out, regardless of the circumstances.

Rate bills. There are basically three ways of settling this particular account, depending on where you live. A few district councils offer discounts for prompt payment but since 1967 they have not been allowed by law to offer more than 2½ per cent—hardly worth taking in today's climate.

Legally ratepayers are also entitled to pay their annual rate bill in up to 10 monthly instalments. The third method is to pay the two half yearly demands separately. Again there is no penalty for late payment but the local authority can and will take you to court if you drag your feet for too long and costs (which you pay) will be incurred in the process.

Barclaycard and Access. From February 1 borrowing from both these companies will cost a true annual rate of 30.6 per cent a year (a flat rate of 2¼ per cent a month). Britain's 4.9m Barclaycard holders up to the end of this month are paying a flat monthly rate of 2 per cent or a true annual rate of 26.8 per cent—so the best advice to them (and indeed to all credit card holders) is to pay back as much as possible as soon as possible before the date on the statement.

Barclaycard holders have an additional incentive — from this month the method of calculating Barclaycard interest is coming into line with Access. As a result cardholders who do not pay by the due date will pay more.

Tim Dickson

Society wedding for man from the Pru

FROM NOW ON the man from the Pru will be selling building society investment, as well as life assurance, to the people in the homes he visits. This unusual development arises from a link-up between the Prudential Assurance Company and the Leicester Building Society.

At present, the link-up is being confined to the Southwest and is being run as a pilot scheme starting on February 1. It will involve 17 branches of Leicester and over 900 Pru agents. If successful it will be extended to the whole country.

At first sight these two companies seem strange bedfellows for both are competing for the savings of the public. There have, of course, been several successful partnerships in recent years between life companies and building societies, involving the sale of high yielding building society linked life contracts.

This tie-up, however, which is the brainchild of Mr. A. Scott Durward, Leicester's deputy chief general manager, represents a completely different concept. The Pru agent will sell to his policyholders the complete range of savings plans

MARRIAGES

ERIC SHORT

available from the Leicester and he will be paid a commission by the building society for doing so.

Companies such as the Pru, the Pearl and the Co-op emphasise constantly that their agents are financial advisers and friends to the people they visit.

They know if there is cash in the house doing nothing, and above all, if the family is about to receive the proceeds of a maturing life policy.

Many policyholders simply do not know what to do with the proceeds when a life contract matures.

All too often, it is put into a bank account and left for years until required. Some life companies, particularly Scottish Equitable, have devised schemes so that the money can be left with the life company until required, earning further bonuses. This, however, is an up-market operation.

Many of the people the Pru agent deals with do not have bank accounts and have never dealt with a building society. Often they live in rented accommodation.

Instead of keeping their money in cash, the aim of this scheme is for the agent to arrange to put their money in the Leicester Building Society. He will not physically take the money to the nearest branch. But he will provide an addressed envelope of the nearest branch and dealings at first will be by post.

Through this link-up, the Leicester is effectively selling its savings plans on the doorstep. But how does the Pru ensure that its agents do not put the interests of Leicester before those of the Pru?

After all, the Pru does offer lump-sum investment schemes. The answer is that the commission paid by Leicester is low by life company standards—½ per cent against 1½ per cent. In theory therefore the agent will only sell a building society plan when all else fails.

Building societies now offer a complex range of savings contracts from the share account to term shares, and the Leicester is no exception. The Pru agents are being trained in building society investment and the merits of each type, though Mr. Durward expects almost all such money to go into share accounts, offering at present 10½ per cent net.

There is incidentally another spin-off for the Pru field staff. The Leicester will make the money invested through this channel available for mortgages to housebuyers put forward by the Pru. So if a Pru branch puts in, say, £50,000 net from its agents, this sum will be available for mortgages to persons coming through that Pru branch. This is a convenient facility at a time of mortgage famine and will generate goodwill for the Pru.

The new link up is certainly a brave experiment to tap the savings of those people with whom the Pru deals.

Currency account

THE Marble Arch branch of Barclays Bank in London's West End was last Thursday packed with customers vainly seeking supplies of sold-out sovereigns.

But if gold was top of the investment lists, next in line in the high street banks' popularity stakes must have been foreign currency deposit accounts. Since the abolition of exchange controls two and a half months ago the clearers have been able to offer these to British residents free of all restrictions.

Interest rates, especially on Deutsche Mark accounts, represent a real attraction for investors interested in possible exchange rate profits as well as yield—and in some cases are far higher than would be offered on equivalent accounts by foreign banks.

People in Britain have deposited around £1bn in foreign currencies with UK banks over the past two months—easily a record for such a short period. A large part of this represents a switch to foreign currency banking on the part of companies with business abroad. They can now be much more flexible in their foreign exchange operations. But the banks also report con-

DEPOSITS

DAVID MARSH

siderable demand for foreign currency accounts from private individuals — ranging from amounts being stashed away for holiday villas on the Cote d'Azur to sums being stocked up for blatantly speculative reasons by wealthy investors gambling on the Swiss franc.

Apart from dollars, Deutsche Marks and Swiss francs, the banks generally offer accounts in French francs, Dutch guilders and Japanese yen as well as other European currencies.

Investors have been drawn to non-interest bearing current accounts—which offer cheque paying and money transfer facilities—as well as the various types of deposit accounts, where maturities range from seven days to 12 months or more.

All the high street banks stipulate fairly stiff minimum balances in order to dissuade grandmothers, pockets jingling with foreign coins after a European coach tour from seeking to make their fortunes in arbitrage in foreign currency.

"This sort of thing is not really for the man in the street," said one clearing banker. "It is more for the top 2 per cent of the population."

But for those who can lay out the minimum stakes (in the range £1,000 to £5,000), it clearly pays to shop around for the best interest rates because they vary widely from bank to bank. The clearers are offering seven-day deposits in dollars at rates of between 10 and 13 per cent; in D-marks between 4 and 6 per cent interest rates become more attractive for larger amounts and longer terms. In order fully to compare the rates, variations in the charges levied by the different banks must also be taken into account. But it is worthwhile noting that even the lowest yielding foreign currency accounts in Britain offer better interest rates than could normally be obtained on equivalent bank deposits in the U.S. and West Germany.

Chieftain leads the way

SHOWING THE nimble footwork of one of the newer management groups, Chieftain this week launched the first new unit trust of the 1980s. More significantly perhaps, Chieftain Smaller Companies fund is also the first to take advantage of managers' new freedom to charge what they like for their investment expertise.

Up to a few days before Christmas unit trusts were effectively restricted by the Department of Trade to either a 5 per cent initial levy on the sum invested and a ⅝ per cent annual charge on the fund, or a 3¼ per cent initial charge plus a ½ per cent annual fee. These controls have now been scrapped.

There was not much complaint from the unit trust men about the 5 per cent initial charge and as a result Chieftain is not asking for more. Its annual charge, however, has been fixed at ¾ per cent, so

UNIT TRUSTS

TIM DICKSON

expect others to take their cue from this.

Existing unit trusts, of course, have to seek the approval of unitholders before managers can increase the charges.

Chieftain's new trust will invest in companies with a capitalisation of generally less than £10m — a provisional portfolio gives an initial yield of 4.6 per cent, but capital growth will be paramount.

Unit trusts investing in smaller companies have certainly been among the best performers of the 1970s, but will they do the trick again in the 1980s?

Mr. Peter Potts, Chieftain's chairman, argues that the political climate is right and favours smaller entrepreneurial firms. On the other hand, he admits that the Government's tough monetary policies will hit some companies and it will therefore be particularly important to choose the right stocks.

PROPERTY

Buyer beware

BY JUNE FIELD

Villacana, Canadian-owned complex by the sea at Estepona, on the Spanish Costa del Sol, where homes are selling from £22,000. The development have set up a company in London so that they can have direct representation in the British Isles. Enquiries: Geoffrey Pilgrem, c/o Azure Securities Ltd., 29-30 St. James's Street, London SW1 (01-839 4433)

EVEN POOR old George, careful, precise bank clerk in the BBC radio soap opera series "Waggoner's Walk," was nearly taken for a ride through a dubious property deal in Spain. And recently television's "*Money Go Round*" drew attention to the real life inequities of asking for a deposit (refundable, maybe), *before* a property or site is actually viewed, and of documents being signed on the spot without due enquiry and investigation, or even understanding, because of the language barrier. And Radio 4's "Checkpoint," under its presenter, Roger Cook, has been turning over a few stones regarding overseas property schemes, too.

Once again one can only re-iterate that it is up to the buyer to beware. To ask as many questions about a representative, agent or developer as one can. Who are the directors of any company concerned? What other projects have they or their salesmen been connected with? Were they successfully completed: if not why not? What are the backing and financing details of any projects? Are there any problems getting one's money out of the country when you want to sell, and so on.

Just because exchange controls have been lifted in Britain, it doesn't necessarily mean there is complete freedom of movement regarding currency in other countries. Do not pay any monies to individuals, and where possible either go on as many inspection trips as possible, or travel independently, and have various agents' representatives meet you at your destination.

One British agent is just setting up a new service company whereby prospective purchasers of property in Spain can, for a fee receive a report on the property they are purchasing, but obviously Spain is not the only country where such a service is going to be necessary.

Jack and Nicola Riley will send details of this service from Chesham Property Overseas, 28a Cadogan Place, London, SW1, together with a free leaflet, "A General Guide to Prospective Purchasers of Properties in Spain." Peter Rogers, Lanzarote Villas and Property Managers, 37 East Street, Horsham, Sussex, who tells me that since the abolition of Exchange Controls they have turned over approximately £450,000-worth of property on Lanzarote in the Canary Islands, mainly to the British market, will also send "A Guide to Property Purchase in Spain"; both documents are very helpful on the technicalities of buying and the extra costs that are involved.

The number of those advertising properties for sale overseas, whether in Europe, Florida, the Caribbean, California or where-ever, is increasing daily; so some overall form of vetting is surely going to be needed. Most reputable agents agree; for the most part they are qualified people used to belonging to professional associations, particularly if they also sell or let property in this country.

Still in existence, although dormant, is a federation of those concerned with overseas property that was formed back in the early 1970s. "We would welcome an organisation such as this again," says Mrs. Judith Rose, newly appointed editor of the re-styled *Homes and Travel Abroad* magazine—the word *travel* has recently been introduced into the title to give it a broader appeal.

She makes the point of how important it is to go and see properties and sites before committing oneself to buy, and if in doubt to consult someone with a knowledge of the law of the land concerned, an independent expert who really knows the regulations that apply to the particular country that you are interested in. For a copy of the magazine send 70p to Mrs. Rose, *Homes and Travel Abroad*, Tartan House, 94 New Bond Street, London, W1. The current issue has an informative survey on medical care within the EEC.

Commission capers

A RECENT REPORT by the now defunct Price Commission, Charges, Costs and Margins of Estate Agents (HMSO £4), found *that most aspects of services* provided by estate agents met with general satisfaction among the vast majority of sellers and buyers, but the considerable variations in the level of charges was commented on.

An interesting point currently is that the agents themselves are suggesting that something should be done about their commission.

Mr. Anthony Ball, partner in Strutt and Parker, with offices in London and 11 regional offices stretching from Edinburgh to Southend, considers there should be stabilisation, if not a decrease in rates. "Commission is not earned until contracts are exchanged, and at present the work involved in arranging a sale may have to be carried out up to five or six times before a successful *conclusion is reached: agents'* commission rates must take this into account."

In Scotland fees are lower. Formalities take far less time. The simple "Exchange of Missives" binds both parties to a formal contract: purchasers arrange their finance first, before making an offer, and unless there are material discrepancies in the Missive, the vendor, once he has accepted an offer, will not be able to change his mind. "Gazumping" and waste of survey, mortgage and legal fees are eliminated. Mr. Ball considers that there is a duty on surveyors and the legal profession to co-operate to provide a more efficient method of sale and purchase in England.

Mr. Richard Williscroft, resident partner at Pearsons' Winchester office, suggests a more flexible service with a two-tier system, i.e. lower basic scale fees, with all additional services charged accordingly.

What he doesn't say is how this should be worked out. For instance, what if owner-occupiers do all the work of showing applicants over their house and negotiate a deal there and then? Should they just pay the agent for the introduction, vetting applicants as to their financial status and the cost of any advertising? As the Price Commission report concluded, estate agents could do more to inform the public of the services they offer.

Now that marketing is the name of the game, I consider that clients should be able to expect a blow-by-blow account of how a property is going to be promoted, to whom and when, and what efforts are made to keep a sale on the boil up to exchange of contracts stage. And whether matching properties to people by computer is going to improve efficiency and sales still remains to be seen.

Most agents agree that 1980 is *the year that they have to prove* their ability to sell, and probably Anthony Ball puts over the right attitude to mechanisation: "Agents should look for ways of improving their service, perhaps with increasingly sophisticated mechanisation. We must all beware, however, of losing the personal touch so essential to what is probably the largest personal transaction in a lifetime."

J. F.

TRAVEL

Villas in the sun

BY PAUL MARTIN

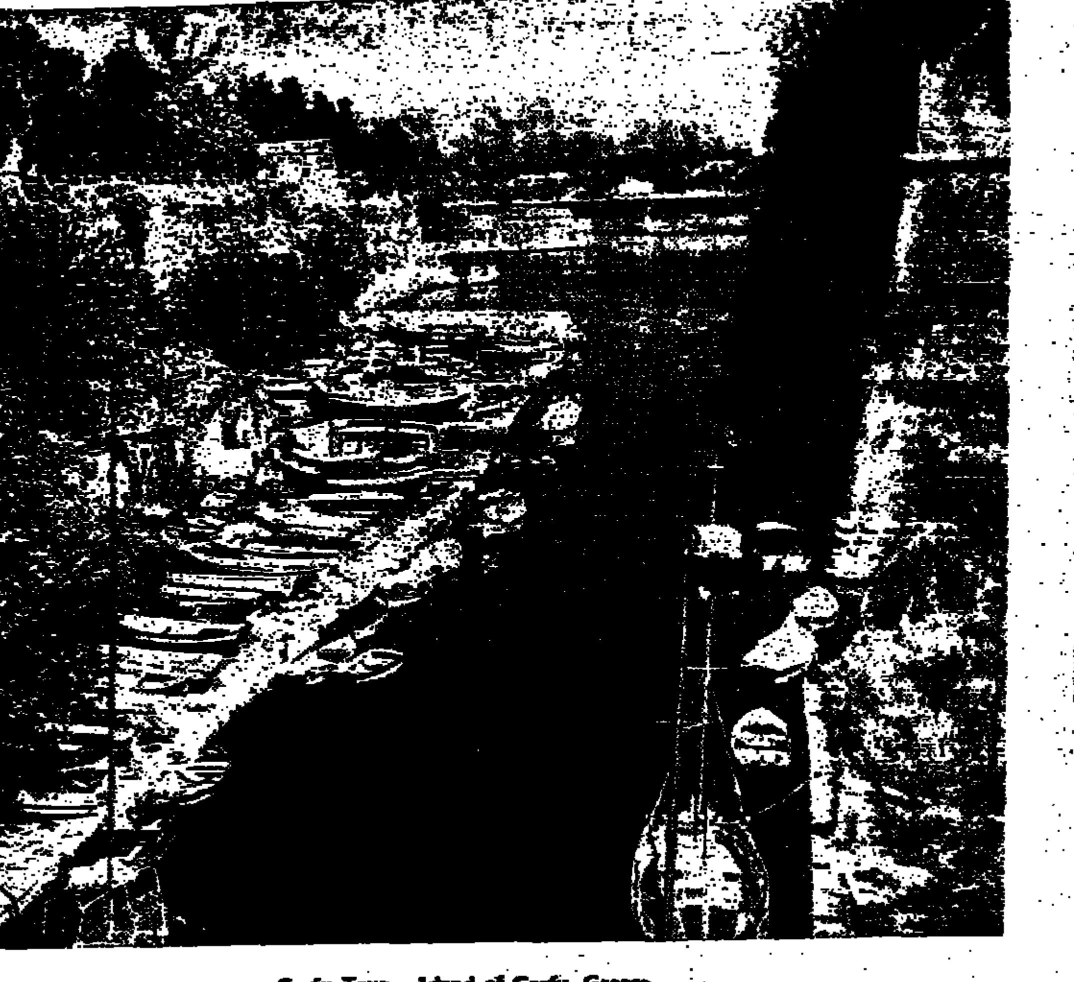
ON THIS first Saturday of a new decade we are still being subjected to a fair flood of analyses of the '70s and forecasts for the '80s. In one particular sphere the travel industry seems to agree that, with the accelerating development of microchips and all those sophisticated electronic gadgets—not my world and technology at that level bewilders me—the end product can only be an increasing emphasis on leisure and longer holidays.

At a time, too, when people want to escape from vacational regimentation and do their own holiday things, the rapid growth of the villa business shows no sign of declining. My own still unfulfilled New Year resolution is to find a new generic word for everything now lumped together as "Self-Catering."

The whole concept of Villa Holidays, once available only to a well-heeled minority, has changed beyond recognition. The term now applies both to a lovingly-restored but essentially simple cottage in the fertile Dordogne countryside—*information about Gîtes is available* from The French Government Tourist Office—and to a luxurious Caribbean pad complete with butler's pantry and a full complement of resident domestic staff. Nearer home in Europe a private swimming-pool is now quite often included.

While careful planning and forethought are essential preludes to a successful and conventional family hotel holiday, it may take a good deal of thumbing through brochures, generally clear and specific over details, to find the ideal holiday home. The provision of at least a basic pack of groceries on arrival, inclusion of maid service and, absolutely vital if you choose somewhere a bit remote, the question of car rental are *all important considerations.*

Some years ago, I went to look at some holiday properties in Malta a year before Meon Villas began operating there. Two observant young ladies took copious notes so that they could later answer any queries with on-the-spot detailed knowledge. Property A had a steep flight of stairs so might present problems for a granny with unfirm pins. That kind of attention to detail has certainly paid dividends and Meon has gone from strength to strength with some delightful villas in the Algarve.



Corfu Town. Island of Corfu, Greece

The lovely coast of Southern Portugal, where the beaches are swept clean daily by the tidal Atlantic, is also very much home territory for Harry Chandler's Travel Club. Although they have expanded considerably in recent years, the Algarve still remains a focal point. Gas, electricity and maid service for bedmaking and cleaning, but not as a resident cook, are normally included. Self-drive hire car starts at around £50 a week for a Mini. The Sunday flight pattern is convenient and the Algarve is a golfer's paradise. The per-person cost for a 14-day stay at Golden Beach, with easy access to Albuferia, is from £138 in May.

Interhome, wth a brochure the size of a telephone book and covering Austria, Switzerland, Germany, Spain, Italy and Yugoslavia, can certainly claim to provide the widest choice.

I have often mentioned the advantages of using a specialist operator and *Magic of Sardinia*, concentrating on the north coast of that spectacular and surprisingly large island, have some fairly spacious villas at the Santa Reparata complex. If you plan to make up a party of six or seven a 14-night holiday varies from between £156 and £259 according to departure dates. Direct flights are included as are grocery packs to see you through the first day. The company can also provide *details of free car rental on* some May and all October departures.

CIT, the Italian specialists, offer a wide range of coastal resorts and, with the thought that the dedicated Italophile might be happier among the olive groves and cyprusses in the rich Tuscan countryside, also include The Melazzano Estate, some 18 miles south of Florence and only about 15 minutes drive from the Ugolino Club with an 18-hole golf course and an attractive swimming-pool. Prices, based on 6 people sharing, range between £174 and £194 for a fortnight's holiday including Gatwick-Pisa Sunday flights. The hire of a Fiat—the model varies according to the number of people—is included with unlimited mileage. With a mini-hamper provided on arrival, maid service is available as an extra and there are reductions for children under 12.

I would also like to suggest a couple of contrasting destinations. Villas Abroad offer self-catering arrangements in an apart-hotel at Hovden in Setesdal, one of the most beautiful of all the Norwegian valleys. Every facility, including an indoor swimming-pool and sauna and provision for riding, sailing and tennis is available.

Each apartment, accommodating four, has a radio and colour TV and the weekly rental starts at £74 excluding transport.

Finally, Holiday Villas, now combining the former Belvillas and Algarve Villas and covering the Greek Islands, Spain, the Algarve and France, has now moved into the U.S. and Caribbean and features some quite gorgeous houses built on the estate adjoining Sandy Lane Hotel in Barbados. One mansion, with two bathrooms, a staff of three and a swimming pool and accommodating six, is listed at a weekly rental of £365. Flights are not included.

The old rules still apply and, while the choice gets wider as we enter that new decade, the price you pay reflects both the cost of your holiday freedom and the degree of luxury and the environment in which you choose to spend it.

Further Information:
CIT (England), 256, High Street, Croydon CR9 1LL; French Government Tourist Office, 178, Piccadilly, London W1V 0AL; Holiday Villas, 8, Barclay Road, Croydon CR0 1JN; Interhome, 10, Sheen Road, Richmond, Surrey, TW9 1AE; Magic of Sardinia, 47, Shepherds Bush Green, London W12 8PS; Meon Holidays, Bracefine Travel, 32, High Street, Petersfield, Hampshire; Travel Club of Upminster, Station Road, Upminster, Essex, RM14 2TT; Villas Abroad (London), 322, Croydon Road, Beckenham, Kent.

COMPANY NOTICES

ASICS Corporation
US$15,000,000 $5\frac{3}{4}$% Convertible Bonds 1993

To the Bondholders: 5th January, 1980

We, ASICS Corporation, hereby notify that, as a result of a free distribution of shares of its common stock to shareholders of record as of 20th January, 1980, Japan time, at the rate of 0.15 share for each share held, the Conversion Price of the above-captioned Bonds will be adjusted pursuant to Condition 5, paragraph (C), sub-paragraph (i) of the Terms and Conditions of the Bonds under the Trust Deed dated 6th July, 1978, from Yen 622.20 to Yen 541.00 per share, effective as from 21st January, 1980, Japan time.

ASICS Corporation
1-3 Terada-cho, 3-chome,
Suma-ku, Kobe-City,
Hyogo, Japan.

ANNOUNCEMENTS

FAIRHOLT INDUSTRIAL HOLDINGS & GRAPHIC CONTROLS LTD.
are discussing the transfer of Fairholt's interests in recording instrument chart products with the exception of computer plotter paper and tachographs.

MOTORING

The Lancia Delta, a compact and luxurious hatchback, is 1980's Car of the Year. But should the Delta—or Opel's front-drive Kadett—have won the award?

Qualifications for an award

BY STUART MARSHALL

OPEL'S KADETT would beat the Lancia Delta by a short head to become Car of the Year for 1980 and the Peugeot 505 would make third place. That is what I wrote here last November. The results, announced at the beginning of this week, proved me wrong—but not very.

The Delta attracted enough points (396) from the 52 men and women international jury to score a convincing win over the Kadett (301 points). Peugeot's 505 (199 points) was third.

My favoured outsider for a place, the Volkswagen Jetta, was a non-runner. In much the same way as the Citroen Visa last year, it was held to be ineligible for the contest because too few of them had been manufactured. The Jetta can't be expected to win next year's award because many new and interesting cars are in the pipeline. But it could still be placed—just as the Citroen Visa (fourth, with 109 points) was this year, more than 15 months after its actual debut.

Did the Delta deserve to win so convincingly? Two-thirds of the jury members put it at the top of their list and it is, beyond argument, a most attractive package. Elegant to look at, with styling that is fresh though not wholly unfamiliar (imagine a four-door VW Scirocco), it is also a refined and lively performer.

Though the Delta's 1.3 or 1.5 litre engines are from the Fiat Ritmo — the car we call Strada in Britain — they have been warmed-up to produce more power. Everything else about the Delta is new. It will go on sale here later this year and will be dearer than the Strada, cheaper than the Lancia Beta. If available today that would put it in the £4,300 to just under £5,000 brackets.

Most interestingly, it will attract the same kind of customer as the Honda-designed Bounty that BL Cars will begin assembling in 1981. Rumour has it that the Bounty will be a 1.3 or 1.4 litre engined notchback (four-door saloon with a boot) whereas the Delta is, f course, a five-door hatchback. The Bounty, cross-engined, with front wheel drive and all-independent suspension, is planned as a Triumph Dolomite replacement. It will have a luxurious interior and comprehensive equipment — just like the Delta, with its optional air conditioning, heated front seats, electric windows and sunroof.

The Delta is a delightful car to drive, having well placed controls and instruments; a level ride and very good seating; and a mix of handling response and sheer roadholding that makes it equally suited to storming mountain passes or near-silent 70 mph motorway cruising.

Even so, my vote would still have gone to the Opel. Why? Because, being the first front-drive, cross-engine small/medium car from the world's largest car maker (General Motors) it simply has to be the most commercially significant newcomer. Curiously, this is a factor that Car of the Year juries traditionally pay little attention to.

Three years ago they even put the Ford Fiesta — as much a watershed for Ford as the new Kadett is for General Motors — in second place behind the Porsche 928. This 4½ litre V8 engined coupe has a trans-axle with manual or automatic gearbox and self-correcting rear suspension that flatters any reasonably competent driver into thinking he is an expert. It is a marvellous machine for rich connoisseurs; I can't remember enjoying any car more. But should the 928, because of its technical brilliance or the Fiesta, because of its mass-market suitability, have been 1978 Car of the Year? I hope I'm around to read the opinions of automotive historians, writing their turn of the century reviews 20 years hence.

The Peugeot 505's third place was surely right. There is nothing startingly original about it, but the 505 is a civilised car that is thoroughly in tune with the times. So, indeed, are both Delta and Kadett.

Alfa Romeo's big businessman's saloon, called only the "6" because of its 2.5 litre V6 engine and still not seen in Britain, followed the little Citroen Visa into fifth place. Close behind was Mitsubishi's admirable hatchback, the five-door, eight speed (it has two gearboxes) 1.4 litre Colt. This must be the world's most relaxed small car on long motorway journeys yet is punchy and nimble in town.

Also placed in this year's contest were the rotary engined Mazda RX7, a fast and sophisticated sports coupe (7th, with 50 points); eighth was the Toyota Tercel, first front-drive model from world's third largest car maker (36 points); and the General Motors "X" cars (9th, 25 points). The Tercel, a 1.3 litre saloon or hatchback of roughly Escort size, may come to Britain later this year. The "X" cars will never be sold here because GM did not even consider designing in right hand steering.

For the potential buyer of BL Princess or Renault 20 size executive-style cars, this is a pity. They could be offered here (and are already being sold in LHD European markets) at very competitive prices. American cars, because of the huge volumes in which they are made, are by our standards extremely cheap. A GM man confided to me recently that the poshest "X" car—the V6 Buick Skylark with every possible extra, air conditioning and automatic transmission included, could be sold in Germany at the same price as the most basic Opel Commodore—essentially a 2½ litre, six-cylinder Rekord—and generate the same profit.

All the other cars eligible for consideration by the Car of the Year jury were Japanese—the Daihatsu Charade three-cylinder hatchback, Honda Prelude coupé, Datsun Cherry, Mazda 626 and 929 and Toyota Corona. Only the Charade scored enough points (22) to threaten the GM "X" cars' ninth place. But you can see why Europe's car makers get twitchy when they look toward the east and why France in particular fears the BL-Honda Bounty is a potential Trojan Horse.

GARDENING

Why worry about pruning?

BY ARTHUR HELLYER

OF ALL the various garden tasks pruning is the one that seems to worry inexperienced gardeners most. This is really rather ironic because, in spite of all the fuss and mystery that is made about pruning, it is really one of the least essential techniques except in a few specialised circumstances.

Trained fruit trees must be pruned or they will become so overgrown that it will be impossible to continue training them and clearly all hedges must be kept in some kind of trim. Bedding roses, a term which covers all the hybrid teas and floribundas that, under the new nomenclature, we are slowly learning to know as large-flowered and cluster flowered roses, also need pruning to help them maintain a succession of sturdy young stems on which the best flowers are produced.

But apart from these, there are few ornamental trees and shrubs that cannot be left completely unpruned with little ill effect except that they may eventually take up too much space.

That really is the reason for most pruning; to keep plants within the space available. If space is unlimited or the plants have been carefully chosen to suit the situation saws and secateurs can be put away except when required to remove dead, dying or damaged growth.

The idea that pruning in some way promotes flowering is almost always false, for plants are conditioned to flower naturally provided the soil and the climate are right and in nature they get no pruning except such cropping as browsing animals may inflict on them.

Poor flowering is usually an indication either of starved plants or insufficient sunshine and warmth to ripen growth.

Pruning can sometimes improve the quality, if not the quantity, of flowering. When rose growers want to produce extra-large blooms they prune severely and may even restrict the number of stems produced after this pruning so that the plant can only produce a few flowers and can concentrate all its strength on these.

At least that is what the theorists say, but it is not quite as simple as that, since plants are entirely dependent on leaves to manufacture all their food. If they are hard pruned they will not only have fewer flowers but also fewer leaves, and so there comes a point in the equation where pruning becomes self-defeating.

But let us leave these niceties aside and consider a few basic rules that can make pruning seem much more logical and less of a mystery.

First, it is unwise to prune evergreens in winter, since they are never completely at rest. Pruning tends to be followed by growth and the young leaves of many evergreens are to some degree tender.

If evergreens need hard cutting back because they have become straggly or are occupying too much room the time to do it is in April or May. If they need clipping to keep them tidy it can be done at any time from May to August.

Deciduous trees and shrubs do become dormant in winter and can be pruned then if it is necessary to reduce their size. They can also be pruned in late spring and summer when they are in full growth. For them there is only one real danger period and that is early spring when the sap is rising strongly, growth buds are bursting or about to do so, but there are as yet no well developed leaves to absorb the sap.

Pruning at this period can cause bleeding, a steady oozing of sap from the wounds, which if it continues too long, can kill those stems or even the whole plant. Some plants bleed much more readily than others and it it only by experience that one finds out which are which.

So unless you know that it is safe to prune then (and it is safe with roses), put the pruning tools away from mid-March to late April and do all pruning either before or after that period.

Not a bad general system is to classify plants for pruning according to the time at which they flower. All those that flower before the end of June can then be pruned as soon as practicable after they have flowered and all those that flower from July onwards, in February or early March.

The reason for this is that the early flowering kinds almost all produce their flowers on, or from, stems made the previous year or even longer ago than that. If they are pruned in winter or early spring they will be deprived of much of their flowering growth.

Examples are the winter jasmine, the Japanese quince (chaenomeles), the forsythias and even the lilacs, mock oranges (philadelphus), weigelas, deutzias and early flowering spiraeas many of which continue well into June.

By contrast the late flowering trees and shrubs usually flower on stems made that same year and so are not inconvenienced by winter or early spring pruning. It is possible to cut back hydrangea paniculata and the purple buddleia in March and actually improve the size of their flower clusters though there will be fewer of them.

There are also shrubs that tend to lose much of their old growth in winter and are all the better for having it removed in February or March, but do not leave it too late. If the stems are not fully dead they may bleed disastrously. I have seen fuchsias do this many times and though it never seems to kill them I am sure it weakens them.

The late flowering caryopteris is another plant that is all the better for a fairly close crop in March.

But let us suppose that because of lack of time or of knowledge none of these things is done. What will happen? Nothing much except that the fuchsias will look rather untidy as the new shoots grow up through the old and dead ones.

The buddleias and hydrangea paniculata will be bigger and have more flowers than if they had been pruned and the early flowering shrubs, that might have been thinned or otherwise reduced after flowering, will also get bigger and maybe become a bit bare at the base or in the centre.

None of this is a disaster and it can be put right another year when one has more time or has acquired greater expertise.

The second-best fifty courses

GOLF

BEN WRIGHT

THE DIFFICULTY of compiling even a purely personal list of the best 50 golf courses in Great Britain and Ireland has been borne out by a small avalanche of mail received on that controversial subject since my selection appeared in these columns last November. Second thoughts thus seemed to be very much in order, and there follows an attempt to settle upon the second best 50 in what becomes increasingly obvious is the most golf-rich area in the world.

Firstly, my apologies are due to the members of Royal Troon, whose regal prefix I previously omitted. I look forward, nevertheless, to returning there for the 1982 Open Championship, having been assured in the most interesting and constructive of all the letters, by no less an authority than Sandy Sinclair, the former Scottish international, captain and chairman of the Royal and Ancient Golf Club of St. Andrews championship committee that "I have found the facilities and the co-operation at Royal Troon to be unsurpassed anywhere in Britain." Secondly, that fine Midlands club, Little Aston, appeared as Little Ashton, causing some correspondents to wonder if I had intended Long Ashton, Bristol, for my top 50—alas—it doesn't even get into the second half century.

According to your letters, it appears that my most serious omission in the first list involved Killarney, whose incredible beauty is unquestionably in the top class. It is my opinion, however, that its enlargement to 36 holes has robbed the place in the playing sense of much of its character. In plain words, two ordinary courses have replaced a quite marvellous one.

Ashburnham, in South Wales, was another much-criticised omission, as was Royal St. David's, Harlech. In fact, Wales was rather scurvily treated as a whole, a fact I readily admit, while merely emphasising the difficulty of the assignment. For instance, I am reliably, if rather angrily informed, that Aberdovey was another ignorantly ignored gem, but I have to confess I had never been there.

Another area largely overlooked was the inland North West of England, where I served my apprenticeship, and had the good fortune to be a member of Mere in Cheshire, whose four splendid finishing holes regularly caused me to tear up score-cards. Equally frustrating memories, softened in no small part by the beauty of the surroundings, come flooding back from Sandiway and Delamere Forest. On the unlovely north side of Manchester, the Manchester Golf Club's marvellous layout at hilly Hopwood similarly shines through the mist of time, like a rare jewel.

In the lovely sandbelt of Surrey and Berkshire, it was desperately hard to have to overlook, and omit, from the top 50 such magnificant courses as Woking, perhaps the most economically but effectively bunkered course of my experience, Worpleston, St. George's Hill, Swinley Forest, or the Addington Club. Here again purely personal preference is of paramount importance. Everyone can be expected to have his favourite, particularly if it has witnessed his perhaps rare moments of minor triumph.

The hopelessness of compiling a truly definitive second list became abundantly clear to me when I sat down earlier this week with a blank sheet of paper and November's list of the top 50 courses. I was able to jot down the names of no fewer than 66 really eminent clubs without reaching for the Golfer's Handbook, that comprehensive annual tome, which, to my amazement, lists well over 2,000 golf clubs. Nor did I consider the islands around our shores, which contribute such fine layouts as La Moye (Jersey), Machribanish (Arran), and Castletown (Isle of Man), to name but three of my distant acquaintances. Other courses which I have not seen for many years and were obviously worthy of consideration were so numerous it would be impossible to mention them all. But I cannot help wondering how Portstewart, in Londonderry, which I had the pleasure of playing more than once in 1960 in the early mornings while Joe Carr was winning his early matches down the road at Royal Portrush, in the Amateur Championship on his way to an overwhelming victory by 8 and 7 over American Bob Cochran in the final, looks today.

Similarly, Sandy Sinclair nudged my memory on the subject of the fine courses of Yorkshire, notably Alwoodley, which I played but once—in a downpour—while the old Yorkshire Evening News tournament was in progress at nearby Moortown. I played a really memorable game long ago at the latter, in winter, against the great cricketer Brian Close, who played alternate holes left- and right-handed, using my clubs for the right-handed shots. Brian went round in a genuine 78 and was rather dissatisfied!

Sinclair also waxes lyrical about "A marvellous little course in the foothills of the Grampians," Boat of Garten, which I have never seen, but with that name, would love to visit. Sinclair also rightly gives an honourable mention to Downfield, in Dundee, whose gorgeous turf I last trod when witnessing Australian Jack Newton's victory in the final of the PGA Matchplay championship in 1974. Do you remember his victim? He was the little-known Mexican-born, California-resident Cesar Sanudo, 112th on the American money list in 1979.

Lastly, I must repeat that the following selection is a strictly personal one, and it grieves me considerably that such fine courses as Pannal, Hesketh, and North Wales—to name but three at random—cannot even find their way into the top 100. If anything, that is the best indication of the unbelievable embarrassment of riches the British golfer or foreign tourist can enjoy with the minimum of costly travel — a very serious factor in golf club economy in the oil-debevilled early 1980s. The five groups of 10 golf clubs each nominated below are listed alphabetically.

First Ten
The Addington, Ashburnham, Downfield, Dunbar, Ferndown, Killarney, Moortown, Nairn, Royal St. David's, Worplesdon.

Second Ten
Alwoodley, Castletown, Glasgow Gailes, Machrihanish, Moor Park, Northamptonshire, Royal North Devon, Royal Worlington, Southerndown, and Woking.

Third Ten
Berkhamsted, Crowborough, Lundin Links, Littlestone, Maesdu, Mere, St. Anne's Old Links, Seaton Carew, Stoneham, and Swinley Forest.

Fourth Ten
Aldeburgh, Delamere Forest, Elie, Isle of Purbeck, Manchester, Manor House Hotel (Moretonhamsted), St. George's Hill, West Cornwall, Wollaton Park (Nottingham).

Fifth Ten
Brockenhurst Manor, Frilford Heath, La Moye, Liphook, Pitlochry, Prince's (Sandwich), Queen's Park (Bournemouth), Sandiway, Thorndon Park, and Wallasey.

2 o'clock Rock

RACING

DARE WIGAN

SUCH IS the dearth of top class staying handicap steeplechasers that the same animals turn out whenever a valuable event features on a programme.

It comes as no surprise to find Prince Rock and Peter Scot in the line up for the Anthony Mildmay, Peter Cazalet Memorial Chase over three miles and five furlongs at Sandown this afternoon (2.00).

In the Coral Welsh Grand National at Chepstow, Peter Scot came home well clear of Prince Rock, but he incurred an 8 lb penalty as a result of that success. I have a feeling that Prince Rock, who won over the distance at the last meeting here, may reverse the placings.

Random Leg, a victim of a controversial disqualification on his last appearance, at Newbury, will be fancied to recoup losses in the Panama Cigar Hurdle Championship Qualifier and this useful Irish horse is a reasonably confident choice to do so.

But an even more confident selection is Rhyme Royal, a top-class performer on the flat whom Queen Elizabeth the Queen Mother has leased from The Queen.

Rhyme Royal has taken to the minor obstacles like a duck to water. He goes for the Tolworth Hurdle in which Run Hard is the one most likely to extend him.

So easily did Pine Brook dispose of Dulwich and other smart two-mile specialists at Newbury the other day that I doubt whether an eight pounds penalty will prevent his completing a double in the Express Handicap Chase at Sandown.

At Haydock (where racing hinges on the result of a course inspection at 7 am) Ballet Lord and Roller Coaster may fight out the finish of the Tote Northern Chase. Capt. Neville Crump has an understandably high opinion of Ballet Lord; and, though this gelding has a stiff task to concede 11 pounds successfully to Roller Coaster it may not be beyond him to do so.

SANDOWN
1.00—Ardlair
1.30—Random Leg**
2.00—Prince Rock*
2.30—Rhyme Royal***
3.00—Pine Brook

HAYDOCK
1.00—Privy Consort
2.00—Ballet Lord
2.30—Norton Cavalier

MARKET RASEN
1.45—Dikaro Lady
2.15—Honegger
2.45—Tommy Joe

Not only the snow falls

WINTER SPORTS

ARTHUR SANDLES

IT WAS while languishing under the X-ray machine in a Swiss alpine village that my thoughts turned to the perils of change for change sake. A great day, with deep new powder and a bright blue sky providing perfect conditions for Zermatt's National run, came to a sudden halt a couple of weeks ago in a remarkable somersault and a landing which witnesses say looked like something out of Tom and Jerry. It is part of the folk-lore of skiing that once you start falling forwards instead of backwards your skiing is improving. An unmentioned drawback to this flattery is that the human bottom seems better able to withstand such shock than the human head. In this case, however, the damage was to neither of those parts of my anatomy. Instead my hand is now encased in traditional alpine white, a sight which non-skiing friends greet with what I regard as irritating glee.

The question of change arose because three items of equipment on this perilous descent were different from my norm. Ski-stops, new bindings and sword-handle ski-sticks. The big question mark hangs over the ski-sticks.

Over the past couple of years there has been a swing away from the traditional method of attaching sticks (increasingly described, American-style, as poles) to the skier's hand. The long leather straps of old are meeting competition from plastic grips which enclose the fist but which have a release system to deal with falls. I was experimenting with these grips because over the years I have developed a bad habit of releasing my hold far too often and letting the stick swing. The new handles, I fondly hoped, would stop this, as indeed they did.

Unfortunately, it seems that the new-style ski handles are designed to cope with a sideways release and not upwards. In my case the sinew and bone of my right thumb proved weaker than the plastic of the grip. It is an experiment I am reluctant to repeat.

This pain-induced cynicism towards the new stick-handles does not, however, extend to ski stops. These are devices which are spring loaded and dig into the piste should skier and ski part company. The skis then stop, leaving the skier to fall free of encumberance. The advantages of these little gems are numerous, not least the fact that there is no more cold fingered messing about attaching straps at the start of a run. There are, nonetheless, disadvantages. If you shed a ski in deep snow you can quite easily lose it, perhaps not permanently but certainly for long enough to make the search annoying. Another problem is that the ski is likely to be several yards further up the mountain than you are. Walking back to collect a ski is no fun.

The switch to ski-stops came after a friend cut his head open twice in four days skiing thanks to a strapped on ski swinging about his body in the course of a sprawling fall. Personally the occasional walk back for a ski would seem better than several stitches and a ruined ski day. If I plan a day of powder skiing in future I'll carry some straps just for those runs.

So much of skiing these days seems to be a drive for novelty, but amid all the nonsense are a few changes which are actually useful. The problem is sorting the wheat from the chaff.

Among the foolery of recent years, apart from new stick handles, has been canting (wedges beneath the feet to improve contact with the ground), drilled holes at the front of skis, plastic devices to stop skis crossing, skierised transistor radios and ski-skateboards. Among the practical innovations have been vastly improved clothing insulation, flo-fit and inner-boot linings, rose-tinted (genuinely) ski goggles and, above all, vast improvements in bindings.

I suspect that the only reason I do not have a leg in plaster at the moment is that my skis came off at the right moment. They were left high above my head on the ledge of rock over which I had just tumbled. For the second time this season and, in case anyone should get suspicious, with no interest to declare, I can happily say that Look 57s are the best bindings I have ever used.

If all this seems a bit sombre at the start of a season then remember that this simply reflects the mood of a skier with an early season injury. All that lovely snow about and I cannot even grip a ski-stick, or for that matter a glass of gluwein. And have you ever tried eating fondue with your left hand?

CURRENCY WEEKEND £

Your weekend £: Austria 27.00, Belgium 63.10, France 8.84, Italy 1,755, Greece 93.50, Spain 146.50, Switzerland 3.4650, U.S. 2.22. Source: Thomas Cook.

SNOW REPORTS

EUROPE	cms.	
Andermatt (Sw.)	85-300	Excellent. Light bad.
Anzerre (Sw.)	100-170	New snow on good base.
Verbier (Sw.)	70-190	Powder on hard base.
Davos (Sw.)	80-170	Good but poor visibility.
Muerren (Sw.)	120-220	Deep powder. Good base.
Wengen (Sw.)	60-180	Powder on good base.
Flaine (Fr.)	125-355	Superb skiing.
Isola (Fr.)	110-150	Some runs hard.
La Plagne (Fr.)	150-280	Powder on hard base.
Val d'Isere (Fr.)	155-190	Good snow. Fine but cold.
Seefeld (Aus.)	90-125	Much new snow.
St. Anton (Aus.)	105-220	Heavy snowfall this week.

Details supplied by Ski Club of Great Britain representatives.

THE U.S.	ins.	
Sugarbush (Vt.)	4-12	Man-made. 17 of 70 runs.
Stowe (Vt.)	4-10	Man-made. Very cold.
Hunter (NY)	4-8	Man-made. 21 of 35 runs.
Aspen (Col.)	15-37	Cold. New powder.
Park City (Utah)	1-20	Hard pack. More needed.
Squaw Valley (Calif.)	30-80	Good. Packed powder.

Figures indicate depths at bottom and top stations.

SCOTLAND	
Cairngorm	All runs complete. New snow, firm base.
Glen Shee	Main runs complete. Hard pack, icy patches.
Glencoe	All runs complete. Hard pack, icy patches.
Lecht	Main runs complete. Powder on hard base.

BOOKS

Brave bishop

BY C. P. SNOW

Ahead of His Age: Bishop Barnes of Birmingham
by John Barnes
Collins, £12.95, 487 pages

It would be hard for a clergyman of any denomination to become a national figure as prominent as E. W. Barnes, the Bishop of Birmingham, 40 years ago. There was nothing sensational about his private life: he had an enduring marriage and an exceptionally able family. (His eldest son Sir John Barnes has written this biography.) On the other hand, the Bishop's views did create a sensation throughout the second half of a long life.

His heterodoxy sharpened as he grew older. He was the last man alive to be seduced by the Establishment embrace. He had been an unqualified pacifist in the first world war and became more outspoken in the second. His utterances on domestic politics moved steadily, thoughtfully, inexorably, to the left. On Christian doctrine, he found it increasingly difficult to stay within even the latitudinarian expanses of the Church of England. When in his 70's he published his last book, *The Rise of Christianity*, some of his fellow Bishops wanted to try him for heresy. We have to remember that he was living in a period when religious doctrine was argued about with passion. How much of the fundamental doctrines of the Church of England he believed in old age is an interesting speculation.

No one doubted that he was a man of impregnable goodness. He was courteous though immovable in controversy, unassumming, in many ways humble (democratic in our modern usage) in human relations. But, as his son says, acutely and frankly, though he was unassuming he was not modest. Like other positive and independent men he knew he was right.

He had an exceptionally powerful and concentrated mind. It was to that intellect that he owed the beginning of his career (later, will and character carried him along). He was born in 1874 of modest origins, grandfathers Lancashire artisans, one grandmother illiterate. There is a totally unhistoric myth that in the 1890s an education at Cambridge was possible only for the rich. Nonsense. Of the dazzling constellation in the University who made international reputations between 1890 and 1914, about half were born as short of money as Barnes, or more so. His father, who rose to be an inspector of schools in Birmingham, had a sizeable family and never earned more than £500 a year. All the boys made their way by scholarships. Ernest duly got a major scholarship at Trinity, went through the academic obstacle race with consummate proficiency, and didn't look back.

He was a high class mathematician. Perhaps not of the first order of originality, but responsible for getting English pure mathematics back on to the international scene after a long period of non-competitive ignorance. That initiative of Barnes's was taken up by men of greater genius, Hardy and Littlewood, but he was a real pioneer and received no more than he deserved when he was elected to the Royal Society at an early age. Incidentally, Barnes had the job of teaching Ramanujan, the most spectacular natural genius of them all. Trinity has a long record of looking after difficult talent, and it was something of a feat to accommodate Barnes, Whitehead, Russell, Hardy, Littlewood, Ramanujan among its mathematicians at one and the same time.

In 1914, the country was more enthusiastic about spotting talent than we are today. The first year of the war broke into that creative interlude. Bellicose feelings were bitter and strong. Pacifists like Barnes and Russell were barely tolerated in Cambridge (compare G. H. Hardy's privately printed pamphlet, "Bertrand Russell and Trinity College"). Still, there were people calm enough to think that a man as eminent as Barnes ought to be provided for: and so he was, by no less a person than the Prime Minister, Asquith, who offered him the Mastership of the Temple, (that is the living at the Temple Church). That didn't inhibit Barnes from saying what he thought. Civility was civility, and ought to be respected, he always assumed: but the truth was the truth, and ought to be spoken, within the limits of decency. That was the rule he followed for the rest of his life.

He was respected at the Temple, lawyers being more worldly about dissident opinions than academics, and he was happy in a late marriage, which provided another display of the variegated Barnes genes. This book is an example, fair, precise, witty, cultivated, though Sir John, who has had a successful diplomatic career, must have surprised his father by being blind to mathematics.

The Barnes sermons were finding a wider audience. It was becoming clear that the Temple was something of a backwater for one of the church's most distinguished intellectuals. Another Prime Minister took a hand, and it was Ramsay Macdonald who offered Barnes the See of Birmingham. There were, of course, protests, but Barnes, unassuming as he might be, was used to ignoring protests, and went to Birmingham for a reign of nearly 30 years. It was there that he conducted some of his greatest ecclesiastical rows. There was a strong and determined Anglo-Catholic faction in the diocese. Livings fell vacant. Barnes wouldn't institute new incumbents unless they promised to obey the ordinances of the Church. The Anglican Prayer Book was being openly contravened. There was reservation of the Host. There were processions of the Host. It wasn't so much that Barnes regarded these rites as superstitious, though he did. Much more, he was outraged that men should give solemn promises and not keep them. In many ways he was a literal-minded honourable Victorian Englishman, and took it for granted that the Church was lost unless its ministers were as upright in their ecclesiastical dealings as they should be in private life.

Some of these disputes would have been wonderful material for Trollope, particularly with the interventions of Bishops less straightforward than Barnes himself, such as Lang and Fisher. Trollope's actual ritual sympathies would have been with the High Church parsons, not with the modernist bishop but morally he would have been in tune with Barnes.

These controversies are now dead and gone. Barnes would have been shocked at the observances in the contemporary Church. Theologically he would have discovered some of his dubieties had become common form, though not with his hard intellectual edge.

He is a good subject for commemoration, and the book is a worthy one. He was a peculiarly English figure. Could he possibly have been a Bishop anywhere else? Or at any other time? Could he have been so today?

Bishop Barnes: the portrait by Francis Dodd in 1941

Fiction

Sleepers awake

BY MARTIN SEYMOUR-SMITH

Sleepless Days
by Jurek Becker. Translated from the German by Leila Vennewitz. Secker & Warburg, £4.95, 132 pages

Breaking Out
by Derek Maitland. Allen Lane, £5.50, 348 pages

All Fires the Fire and Other Stories
by Julio Cortazar. Translated from the Spanish by Suzanne Jill Levine. Marion Boyars, £5.95, 152 pages

The Eagle and the Raven
by Pauline Gedge. Allen Lane, £5.95, 694 pages

Jurek Becker was born in Poland in 1937, and grew up in the Lodz ghetto, and in Nazi concentration camps. Later he became a successful East German writer; he made his name with *Jacob the Liar*, originally a prize-winning film, and then a novel. The East German censors wanted to emasculate the text of *Sleepless Days*—part of whose argument is that Eastern Germany is a totalitarian state; he could not agree, and has since moved (he says "temporarily") to the West.

His lucidly written, economical novel is about Simrock, a teacher, in East Germany, who has been *living* a lie of obedience: to the political situation in his country, to the state's notion of his function as a teacher, to his false ideas of marriage. He is jerked out of this by a sudden illness.

In *Sleepless Days* Becker makes brilliant use of understatement. Simrock's changing perceptions are never seen in a sensational or melodramatic light. They are, rather, presented as the arousing of ordinary and decent instincts in an unheroic—but not a gormless—man. This makes the story both poignant and utterly convincing: a triumph of low-key writing.

Derek Maitland's *Breaking Out* is set in Australia (where its English author was educated): in a prison. Its larger-than-life characters include the world's greatest sex-offender, the world's greatest playwright (also a drunkard and "beloved bigamist"), and the perpetrator of the "funniest" bank robbery in history. These men, most of them in Parramatta jail because of women, plan a mass break, which provides the main theme of a novel whose dialogue sometimes seems calculated to give Mrs. Whitehouse apoplexy.

Breaking Out is coarsely and carelessly written, and (deliberately) lacks subtlety, but it has the impact of a slap on the face with a bloody steak—and should hold the attention of all those who enjoy candid rumbustiousness.

Julio Cortázar, a sixty-five-year-old Argentinian writer who has lived in Paris since 1952, has always been known as an experimentalist. He wrote the script for Antonioni's *Blow-Up*, but is probably best known for his novel *62: A Model Kit*. He is distinguished from most other "anti-novelists" by lacking—as a critic has said—their "awful earnestness." His concern for the reader's point of view, at least in this rewarding collection of eight stories, comes quite naturally to him; it can give his shorter prose an uncanny air. His sense of humour is much more to the fore in this volume than in the impressive but undoubtedly difficult novels. "Modernist" techniques such as use of the present-continuous interior monologue, and so forth, here seem familiar and natural—in such tales as "All Fires the Fire" and "Meeting" he is as easy to read as Stevenson (a writer to whom Latin-Americans take). His characters see themselves acting, reflecting the novelist's own self-consciousness—and transcending it. We are not in the world of a sterile theoriser, as we so often seem to be when we read the now dull Robbe-Grillet, but in that of writer who—although by a circuitous and tortuous route—has come back to the essence of fiction: story.

Pauline Gedge's *The Eagle and The Raven* is a very long historical novel dealing with Roman Britain and with the Druids. The writing is bold but pedestrian ("Prasutugas felt his wife begin to fidget, her annoyance mounting"), except where the heroine Boudicca (the preferred form of Boadicea) is concerned: she is by way of being an iron lady who, for example, springs to her feet, "Hair flying"—'Bribery' she yelled. 'Call it by its proper name . . .'" Nonetheless, in "the swirling autumn mists of Albion, the light of freedom flickered and. . . ." Well, I leave it to enthusiasts to find out what it did. The novel is bravely done.

Lessing's starry ride

BY RACHEL BILLINGTON

Shikasta
by Doris Lessing.
Jonathan Cape £5.95, 365 pages

Any evaluation of *Shikasta* inevitably involves taking the temperature of that liveliest of corpses, the novel. The book's full name, "Canopus in Argos: Archives. Re: Colonised Planet 5 Shikasta. Personal, psychological, historical documents. Relating to visit by Johor (George Sherban) Emissary (Grade 9) 87th of the period of the Last Days" suggests immediately that it is not to be a conventional novel as Jane Austen wrote a conventional novel or indeed as Doris Lessing has in the past.

Here we have the first in a trilogy telling the history of the earth. This would be ambitious enough if the story were told from an earthly point of view. But Doris Lessing has put herself outside our planet so that she has, as the blurb describes it, "a star's eye view." Moreover the history is not told in a straightforward narrative form but, as the full title indicates, in a series of documents. Some are written by Johor, a kind of angel from outer space, and some by various mortals. Not, however, mortals as we know them. In the course of the story, the mortals who have already fallen from grace—grace being a happy period when they had a life-span of 700 or 800 years and were looked after by a noble race of giants—succumb to a Third World War in which there is all but total *devastation*. The few saved are the good and represent the possibility of a future.

In a recent interview Doris Lessing gave the impression that this new project had released a tremendous flow of creative energy. This is understandable. By following her star, she has put herself outside the limits, or to put it another way, the disciplines of the conventional novel, both in form and content. If that sounds critically negative then it would be only fair to add that she has also won herself the freedom to put forward any ideas on any subject without needing to justify them (or perhaps strait-jacket them) in character or story terms.

Doris Lessing: way out world-play

Since Doris Lessing is one of the few novelists writing today with a depth of vision and long enough experience to back it up, this means that the book has much to say about the human (or Shikastan) race which is profound, relevant and daring. Her astral summary of 20th century history is masterly. For example:

After World War II, in the NorthWest fringes and in the isolated Northern Continent, corruption, the low level of public life, was obvious. . . . Leaders of the nation were murdered. Bribery, looting, theft from the top of the pyramids of power to the bottom, were the norm. People were taught to live for their own advancement and the acquisition of goods. Consumption of food, drink, every possible commodity was built into the economic structure of every society (vol. 30009. Economies of Affluence). And yet these repulsive symptoms of decay were not seen as direct consequences of the wars that ruled their lives.

It would be wrong to give the impression by this passage that Miss Lessing has moved entirely out of the area where a novelist is as good as her sensitivity to human foibles. Her description of a family suffering from over-population and poverty is as vivid as anything she has every written. However, it *does* highlight the inherent problem in writing this sort of book. Crudely, the problem of holding your reader's *attention*.

It is no accident that documents and reports have a bad reputation for readability. Nor are baldly stated theories of mankind's degeneracy very digestible. Particularly if your taste-buds are prepared for a novel.

Perhaps this should not be so. Or perhaps it is the wrong way to approach the book. Here we are back with "La Condition du Roman." Certainly there is no reason in principle why a proven master novelist like Doris Lessing shouldn't do exactly what she wants with three hundred and sixty-five pages between hard covers. But, in practice, there is not very much point in doing it if it merely turns admiring readers into reluctant ones. And I don't think this is the eternal cry of the past failing the challenge of the future.

Apollonian attitudes

BY PETER QUENNELL

Fads and Fancies
by Denys Sutton. Michael Russell, £11.95, 240 pages

For this spacious, scholarly and finely produced book Denys Sutton has devised a somewhat puzzling and misleading title. It has a personal origin—the volume is dedicated to his mother's memory; and *Fads and Fancies* was the name of a revue in which she once danced; but there is nothing either faddish or fanciful about style or choice of subject. In fact, he has collected 18 essays, written as editorials for his well-known monthly magazine *Apollo*, on subjects that range from English Rococo to a twentieth-century Italian painter. All reveal the breadth of the author's learning and his generous catholicity of taste.

His method, having selected an artist or a group of artists, is to relate the individual to the spirit of an age, and then connect that age with its literary and social background. Thus, his first essay, *"Le Bon Ton and Le Roast Beef,"* points out that "no general account of the English Rococo has been written," but that James Gibbs was the architect of the movement, as Sir Sacheverell Sitwell has already claimed, and Alexander Pope its master-poet, while Frederick Prince of Wales, Queen Caroline's much-abused offspring, was its enthusiastic patron. Lord Chesterfield, too, an addict of French culture and Gallic *politesse* whole-heartedly supported it; and Chesterfield House, his splendid London residence (demolished in 1934) contained an exquisite Rococo drawing-room and a music-room of equal grace.

Next we come to a great English country house, "The faire majestic paradise of Stowe," which prompts a discussion not only of the artists and craftsmen commissioned by Sir Richard Temple, but of his political opinions, the "way of life" that he exemplified, and the brilliant galaxy of friends, including Pope, Vanbrugh and Congreve, whom he gathered round him at his seat. Similarly wide-ranging are the essays that Sutton devotes to "The Final Flowering of the Medici"—even the grossly dissipated Gian Gastone had a deep affection for Venetian painting — and to Italy, the "Magick Land" where so many English visitors found the aesthetic stimulus they needed.

Other subjects treated at length here are the beauties of Bath, eighteenth-century Portugal, "A Silver Age in Dutch Art" and "The Paradoxes of Neo-Classicism." More unexpected, however, are tributes to Thorvaldsen, the long-lived and immensely energetic and prolific Danish sculptor, whose head of Byron—the poet complained that it made him look too cheerful — now scowls darkly down John Murray's staircase, and to the "incomparable" Empress Josephine, whom the author particularly admires. She was both a woman of love and a woman of high taste, collected beautiful Empire furniture, a series of magnificent pictures—Claude was one of her favourite artists—and, besides patronising Redouté, imported for her gardens at Malmaison a multitude of precious plants and seeds. These she often purchased, despite her husband's campaigns, from the English florists, Messers Lee and Kennedy of Hammersmith. Between 1809 and 1811 her unpaid bill with their firm amounted to 19,515 francs.

On the artistic life of the later nineteenth century Denys Sutton is no less informative, describing Rossetti and his fellow Pre-Raphaelites, early Russian painters, and the *Ecole de Barbizon* and their American disciples. Of this last link the average English reader may perhaps know very little. But Sutton recalls that, in *The Ambassadors*, Henry James's hero, leaving Paris for its rural outskirts, hopes that he may see "something somewhere that would remind him of a certain small Lambinet that had charmed him . . . at a Boston dealer's and he had absurdly never quite forgotten."

Emile Lambinet (1815-1877) was a landscape painter greatly favoured by cultivated Bostonians; and, in "A Long Affair," Sutton traces the effect of the French School on their artistic education, for example on the career of the distinguished dilettante and man of the world Thomas Gold Appleton, the source of the famous phrase, "Good Americans, when they die, go to Paris."

Fads and Fancies is a richly illustrated book; but the caption attached to a drawing by Constantin Guys is obviously incorrect. The women represented are not smart, young Parisienne *grisettes*, but stout, dishevelled *pierreuses*, the lowest and cheapest class of prostitutes, who trod the pavements wearing large black aprons,

Crimes

BY WILLIAM WEAVER

The Grail Tree by Jonathan Gash. Collins, £4.25, 225 pages

Mr. Gash's third novel, like its predecessors, stars Lovejoy, the irrepressible antiques dealer, against the familiar background of colleagues, rivals, experts and frauds. Besides antiques, Lovejoy is addicted to women, and the hasty reader may find himself confusing Brenda and Lydia and Betty and Jean and Liz. No matter. Lovejoy juggles his social life skilfully, and his women are as indispensable to the story as they are to him. Less indispensable perhaps is some of the expertise, which is handed out in over-generous portions. Do you really want to learn about "that delectable puce colour on Derby porcelain" or about rare flintlocks or apron-fanned serpentine English sideboards, when you are eager for Lovejoy to get on with his sleuthing? Well, you can always skip the erudition; and you sometimes wish the autor would.

Duty Elsewhere by John Wainwright. Macmillan, £4.25, 176 pages

Home is the Hunter and The Big Kayo by John Wainwright. Macmillan, £4.95, 192 pages

Mr. Wainwright may not be the most polished of writers, but he is undeniably one of the most prolific in his field. Through his now immense oeuvre there are some recurrent themes, and one is the situation of those who, not normally lawless, take the law into their own hands, under the pressure of special circumstances. In *Duty Elsewhere* these law-benders are a group of policemen, some of fairly high rank and all presumably of more than average efficiency. Their aim is to capture a criminal who has always evaded the law successfully. Mr. Wainwright's heroes (and the author himself) seem to believe that the law can properly be ignored if the goal is worthy. The actual story here narrated does not support this thesis adequately; and the ending is a let-down and a puzzlement (the terrible criminal proves to be a nice homebody).

The two stories in the second Wainwright volume published recently are of unequal length. The boxing story is sentimental and of limited interest; *Home is the Hunter* is about another law-breaking policeman (this time the question is euthanasia). In it, as in *Duty Elsewhere*, the author's personal experience in the police force lends authenticity and credibility to the details, the background, and some (not all) of the dialogue. But the major characters are less convincing.

North against South

BY ALLAN TODD

Illustrated History of the American Civil War, edited by Henry Steele Commager, Orbis, £7.50, 284 pages.

Macaulay's schoolboy would certainly have known that the Lancashire cotton operatives, though mostly unemployed because of the dearth of raw cotton caused by the Northern blockade of the South in the American civil war, nevertheless were in full sympathy with the cause of the North. But, writes Mary Ellison, one of the 13 contributors to this illustrated history, he would have been wrong. Support for the South was widespread and the meeting in Manchester at which working men pledged adherence to the Union cause was a put-up job. If not important, this is stimulating, as is the book as a whole.

For the most part, it is not about the fighting but about the antecedent and surrounding circumstances and highlights the mass of paradoxes to be found in the situation. For example, was the war about slavery or about union? If the former, how could it be, even if only at the last gasp, that President Davis could send a message to Britain and France that he would emancipate all Southern slaves in exchange for recognition? If the latter, how could the descendants of those who in 1776 claimed and won the right to be free from the union with Great Britain, in 1861 take the opposite line? But whatever the rights and wrongs of the matter, there can be little doubt that materially the people of the South are better off than they would have been if they had separated, and despite nostalgia for the Old South, would they really secede now if they could?

One point on page 246—whoever was responsible for the sobriquet Stonewall applied to Jackson on the field of First Bull Run, it was not General Lee, who was kicking his heels in Richmond a hundred miles away.

HOW TO SPEND IT

by Lucia van der Post

BARGAINS GALORE

FOR THOSE who still have the stamina to face yet another bout of shopping just after the rest of us have collapsed, battle-worn, after the last lot, there are always the sales. As almost everybody knows by now the last year has been a terrible year for most retailers and faced with the imminent arrival of the next season's stocks stores have no option but to mark-down prices on existing stock until they reach a level that will be attractive enough to make people buy.

Fashion departments have been particularly badly hit and, as usual, many of the biggest bargains are to be found in the very expensive designer ranges. Menswear departments also seem to have spectacular bargains with Aquascutum coats at *Harrods (sale starts today)* being reduced from £110 to £70 while at Dunhill (30, Duke Street, St. James's, sale also starts today) there are two-piece suits reduced from £250 to £99 and two-ply cashmere sweaters selling for £25 (reduced from *£65)*.

However, fashion bargains are so much an individual matter, depending on what you happen *to find at the* time, on how beady our eye is and how determined you are to lay your hand on the cashmere sweater before the rest of the thrusting crowd.

Much the easier departments to shop in at sale time are, in my view, the household areas. I find the sales a marvellous opportunity to stock up on the staples that every household needs—*things like* new sheets, duvets, duvet covers, towels, glass, carpeting, china, fabric and this year should also be a unique opportunity to buy many of these things at what probably *really* are "unrepeatable" prices.

Anybody needing to buy a big piece of household *equipment* like a *fridge* or a freezer, a washing-machine or a *vacuum-cleaner, should* certainly try to raise the energy and the *money to do* so now. Remember that no shop can *get away* with selling you a piece of machinery that doesn't do what it is supposed to do.

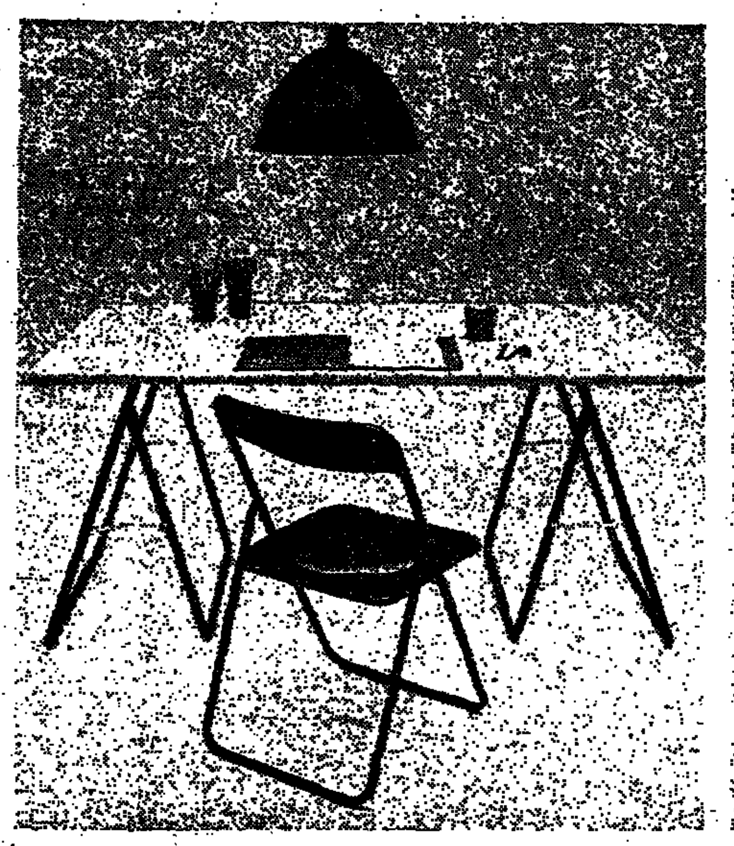
Even if labelled as "seconds" it should do the job it is expected to do—kettles should boil water, washing - machines wash clothes and so on. If they don't perform as expected you are fully entitled to ask for your money back. What you cannot do is to decide afterwards that you *don't* like the chip on the corner *of the dishwasher and now* wish to return it—the onus is *on the buyer to look for the* obvious flaws that anything labelled as "shop-soiled" or "seconds" will clearly be expected to have.

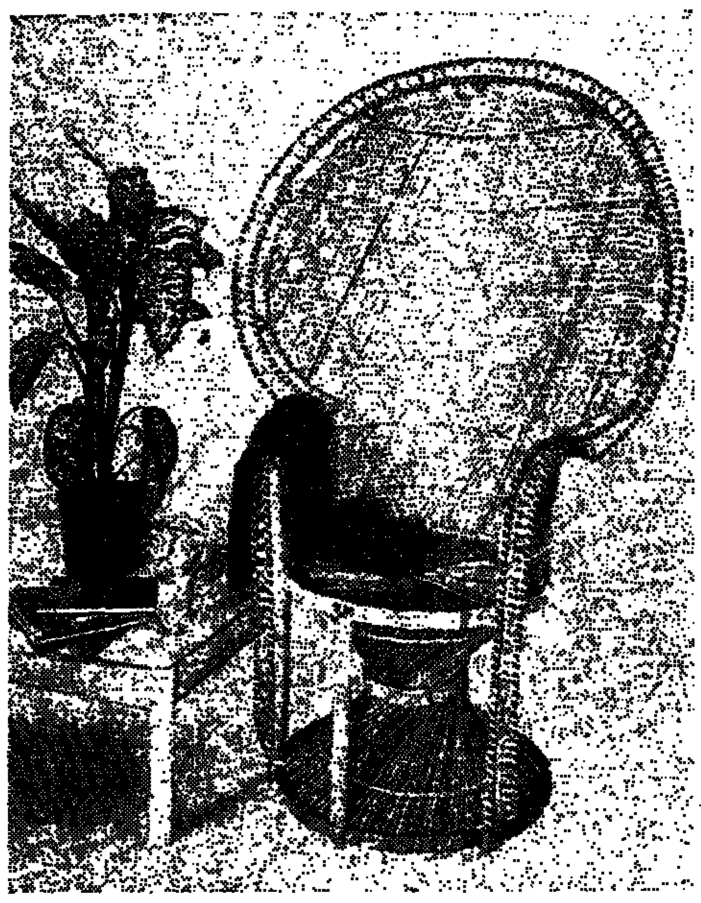
Most shops have cut out the suspect labelling that used to be a feature of sales in the past. They usually now state clearly whether an item has been bought in specially for the sale—this sort of item usually just has a label with "sale price" on it. *Goods that have been* genuinely part of the normal *stock* usually have a ticket declaring pre-sale price and sale price.

For the big household bargains look at shops like Selfridges of Oxford Street, Army and Navy Stores, Victoria (and other branches) and Barkers of Kensington High Street. They are offering microwave ovens, dishwashers, new duck feather and down-filled duvets and a great many other things for the house at much-reduced prices. Harrods, as always, is a good place to restock up on china and linen as is the John Lewis group.

Sanderson's of Berners Street and Liberty of Regent Street both offer good bargains in fabrics so if you're thinking of new curtains or bedspreads now is your chance. For the *bigger white goods (things* like freezers, dishwashers *and the like)* Buyers and Sellers of 120, Ladbroke Grove, London, W10 and 72, Uxbridge Road, London, W12 are offering a further 10 per cent discount off everything over £100.

Out of London readers will be able to find many similar bargains in their local shops and the hot tip from the stores is that readers in doubt about what to buy should go for shoes (the price of leather has risen and is likely to go on rising), anything made of steel (like refrigerators, freezers, cookers) and anything made from natural materials, like cotton and wool, which are going to be increasingly in demand.





● New Dimension shops (there are 13 separate shops and another 22 New Dimension shops in Debenham branches) have always been one of the first places that anybody interested in furnishing a house in good taste but without spending *too much money should visit.* Their sale started on Thursday, December 27, and so now is an even better time than usual to pay them a visit. I can't guarantee how many of their special sales bargains will be left but one of the best buys that I've come across for a long time is the table and chair set photographed far left. *The trestle* table has a white melamine *top* and epoxy coated tubular steel legs in red, brown or white. It comes packed flat (which means you must assemble it yourself) and costs £32.50. Photographed with it is a folding chair which also has epoxy coated tubular steel legs and a red, brown or white plastic seat. *These,* too, are flat-packed and cost £8.50 each (each customer will be restricted to six chairs).

● Not in the sale but so reasonably priced that they don't need to be is the collection of very pretty Japanese blue and white china. The mugs and the bowls sell for 85p each, the small plate is 79p and the large *one* (23.5 cms) is £1.45. The patterns and the colourings are charming and I can hardly think of a nicer or cheaper collection of china. Also from New Dimension shops.

● Photographed above is an example of sale merchandise bought in specifically for the sale—the famous Peacock chair. Selfridges have a large stock of them that they are selling at £49.95 each. They are extremely decorative and yet very strong. Made from split cane in the Philippines *they measure 59 inches high,* 41 inches wide across the widest part of the fan and the seat height is 17½ inches. Selfridges will deliver free in the London area, but outside London will have to charge £8.25.

Post Script

IF you've ever decided to go somewhere hot in the middle of winter (and, having done it for the first time last Janaury, I can thoroughly recommend it as a way of starting the new year with a flourish) you will know how almost impossible it is to find any new hot-weather clothes in British stores. I was busy looking for *swimwear last* January and found nothing but rather *matronly numbers* in very expensive and exclusive *shops—everybody seemed to* be working on the principle that *only the over-fed,* elderly and rich ever wanted to sunbathe in winter.

It is good news, therefore, to learn that *some* 18 Debenhams stores will be selling swimwear in every single month of the year—and at prices that seem exceedingly reasonable. So if you're heading for the Bahamas or even more exotic locations, and want something new to perk up your wardrobe go along to the nearest *Debenhams* which has a Cruisewear *department.* In London that includes Debenhams, Oxford Street, and Swan and Edgar. Out of London there are the stores in Guildford, Oxford, Nottingham, Gloucester, Sheffield, Manchester, Chelmsford, Croydon, Bournemouth and several others.

Besides their own brand name ranges there will also be designs from many famous names like Slix, Gottex, *Silhouette,* Nelbarden, Jer Sea Modeler of Sweden and so on—with a lot of choice at around the £9 or £10 mark.

● If you're wandering round the stores at sales time don't forget that very often the beauty counters offer exceptionally good value. In January Elizabeth Arden are offering two especially useful reductions. In the shops now you can *find their Skin Deep Milky* Cleanser and Skin Tonic *reduced* by 45 per cent, their Velva Moisture Film reduced by 40 per cent and their cleanser, toner and moisturiser for dry and delicate skins are reduced by amounts ranging from 27 per cent to 51 per cent. Later on in January, from 21st onwards, you will be able to get a free 60 ml bottle of Visible Difference Bodycare *and 7 ml worth of* Eyecare Concentrate when you buy a 60 ml jar of Visible Difference Moisture-Creme Complex (at the usual price of £13.95). It is well worth taking this opportunity to try these unique products.

Typical of the large, informal and colourful anoraks that are being snapped up this year is this vividly-striped version from C & A shops that have ski departments. Available in sizes 10 to 14, it comes in graduated tones of blue, beige, red or black polyester and the anorak has deep pockets for storing *things like lift tickets,* spare wax for skis and the other paraphernalia that seems inseparable from skiing. It has been reduced from £29 to £19 and is just one of the many very reasonably-priced pieces of skiwear to be found at C & A shops.

A very striking ski-suit in fine Polyamid (one of the up and coming fabrics for ski-wear, popular for its combination of strength and lightness). Made by Ellesse Basalpi, the outfit consists of a salopette and *jacket* in cream, chocolate brown and camel stripes. It is elasticised round the ankles to keep the snow out, has an elasticated waist with a zip up the front and a blouson style jacket. £199 from Alpine Sports, 114 Brompton Road, London, S.W.3, 10/12 Holborn, London, E.C.1, Ski Shop, Notting-*hill Gate, London, W.11* and various other good ski shops.

FASHION

SKI FASHION has come a long way since the days when I first *started skiing. Then you could* always tell an Englishman on the slopes, not just because he couldn't ski very well, but also by his clothes. Baggy trousers, ill-fitting boots and an anorak that seemed to have been left over from his National Service days seemed to be his trademark. As for women, we didn't do much for the national honour either—the most *one could hope* to find in the shops were some *slinky-fitting* black trousers and a colourful anorak.

Since then, of course, fashion has hit the slopes in a big way. There is nothing more devastating for the would-be fashionable skier than to arrive in a resort only to find that what seemed the dernier cri in Watford is distinctly deja-vu in Courchevel. The French, in particular, are past-masters at finding some new little detail which marks out those in the fashion know from those who are decidedly on the outside.

I remember very clearly arriving in Courchevel one bright February day and joining the *slopes in what I thought* was a very slinky ski-suit. Within five minutes it became absolutely apparent that anyone who was anyone was skiing in their jeans. Ski-suits were clearly quite old-hat.

Anybody who has ever been skiing will appreciate at once that there could hardly be a less practical garment for the sport than jeans—they aren't warm enough, they're not waterproof and the bottoms can become entangled with the skis, yet that year they acquired a cachet quite beyond reason.

I can't promise to help you evade all these pitfalls—that is supposing you are the kind of person who minds about them—for all the smart resorts seem to have their own inner cabal *which by some curious telepathy* decides upon such niceties.

What I can do, however, is to tell you what the current major trends are so that if you are about to set off and buy *some ski-clothes you can at least* be sure you'll be buying this year's mainstream fashion.

Fortunately for all of us who are not *six feet tall* and shaped like a celery stalk the very *padded Michelin look* is out. Padded ski-suits were wonderfully warm and there are still some about, so for chilly mortals who mind about keeping warm more than anything then a padded salopette with matching warm jacket would not leave you feeling too much out of date.

A rather better way of making sure you're warm enough, in my opinion, is to go in for layer-dressing. I always put on fine woollen longjohns, a fine combed cotton T-shirt or vest before adding a shirt or sweater and then the final outer-layer of ski-suit or salopette and jacket. This seems to keep me admirably warm and allows the outer layer to be much sleeker.

On the whole ski-wear is unisex but this year men's fashion has taken a slightly *different route in that sleek,* racing trousers are much *favoured.* I personally feel this look is a bit out of place on *the nursery slopes* but if your skiing can match the image *then, go for* the very fine stretch-trousers with padded knees and little *bib* tops. I don't think they are a very *flattering but they are what* most ski-instructors wear and *when worn with a rather casual* chunky anorak they do look very *professional.*

Instead of the very tight-fitting anoraks, smart ski-shops report that though trousers are finer and *should* fit more tightly than ever a rather casual, bulky, *informal* sort of jacket is much-favoured.

For women the reversible jacket is much sought-after this year. *There is a great deal of* cord (water-resistant) about and the manufacturers seem to be getting ever more skilful at cutting trousers and salopettes so as to flatter instead of enlarge. A ski-jacket that reverses from shiny proofed nylon to cord makes a great deal of sense, particularly when *it* is cut in a casual and informal way, for it can then double for use back home.

If you want to go for the grand-names in ski-wear look out out for Head (a complete outfit from Head will set you back anything from £180 to £250) and Bogner (roughly about the same). Harrods sell both these brands but warn that there is little left for women, *though they still* have ample stocks for men.

Simpsons *is selling* Daniel Hechter skiwear which is another fine name to look out for and it is worth browsing through *their sale* buys as there are some Head and Henry Charles Colsenet suits on offer. Hechter and HCC are probably the most avant-garde of the skiwear designers—they have the fashionable slightly accented shoulders and lovely big, shiny blouson jackets.

Probably the most stunning of all the reversible jackets are those by Head (at Simpsons and Harrods) and Heat Wave (at Alpine Sports). Both allow you to have two completely different outfits in that their jackets are plain on one side and reverse to exotic designs on the other while the Heat Wave jackets also have detachable sleeves.

For those who don't want to spend a lot of money on their ski-wear it would be hard to do better than pay a visit to major branches of C & A which have an amazing collection of reasonably priced but very nicely designed ski-wear. Women's two-piece suits start at £19.95 but they have lots of gilets (£9.95), salopettes (£12.95) and anoraks (£15.95). This year's colours are very bright—lots of very bright pink, yellow, green.

If you're going skiing for the first time, go to a shop that specialises in ski-wear and get proper advice—you need expert help over things like boots, gloves, skis, goggles. If you're going to hire equipment I think that is best done in the resort (saves all that carrying) but don't on any account leave your buying of clothes until then—ski clothes in ski resorts come at very rarified prices.

L.v.d.P.

ARTS

Keys to Klee

You might well think that when it comes to a centenary programme about an artist television had a clear advantage over radio. Yet Edward Lucie-Smith's feature about Paul Klee (Radio 3, December 30) showed how profoundly the "blind" medium can penetrate an artist's soul by a combination of erudition and daring. Klee, who was born in Switzerland on December 18, 1879, was a literary type of painter. He delighted in witty titles for his pictures which are an integral part in the pleasure we derive from them. One of his etchings, for instance, has the caption, "Two Men Meet, Each Supposing the Other to Be of Higher Rank." He was multi-gifted, being both a poet and no mean musician as well as a painter. As a youth he was a supernumerary violinist with the Berne Symphony Orchestra before taking up art professionally.

RADIO

ANTHONY CURTIS

Mr. Lucie-Smith, a poet and critic, chose one of Klee's catch-phrases, *Going for a Walk with a Line*, as a title for the programme which consisted of extracts from Klee's Notebooks. These illuminating jottings were read by Gary Watson and they were interspersed with Mr. Lucie-Smith's lucid commentary, backed by instrumental and radiophonic music contrived by Malcolm Clarke. In my view the success of the whole operation owes much to this music and the way it was integrated with the text by Judith Bumpus, the producer. It was, I think, Auden who in a poetic New Year greeting to one of his friends recommended he should have his unconscious played back to him on a bassoon. This was roughly what Mr. Clarke's music did for Klee. It may sound somewhat otiose to have the Moog synthesiser, or whatever it was, bleeping and burping whenever one of Klee's gnomic utterances about the visual world was quoted, or one of his exquisite doodles was evoked, but in fact it underlined the point being made rather felicitously; and it slowed down the pace of the programme to a speed at which the twists and turns of the argument could be painlessly assimilated.

It all hinged on Klee's seminal remark that "art does not reproduce the visible, but makes visible." This proposition gives the artist a huge autonomy. Klee seems to have discovered within himself the power to make visible at a tender age. One of his uncles owned a restaurant to which as a child he used to be taken. He began to see forms and structures reflected in the marble table-tops. The programme showed how he pursued this freedom of vision with ruthless single-mindedness for the whole of his life. He avoided prolonged residence in Paris where he might have been deflected by artistic personalities as powerful and authoritative as his own, preferring to settle in Munich, a city in which in the early part of the century artists were revered.

In spite of his mastery of interior landscapes he was not averse to travel. He made a fruitful visit to Tunisia before the First World War and one to Egypt afterwards. He was invited to join the Bauhaus, and for a while he shared a house with Kandinsky. In the 1930s he had a teaching post at Dusseldorf from which he was ejected by the Nazis. He then returned to Switzerland and died in 1940.

If I had to name the artist who owed most to Klee I should probably choose the Lisbon-born painter Vieira da Silva, and after her our own Tom Phillips. Mr. Phillips was interviewed during the programme by Mr. Lucie-Smith and though he freely admitted to a heady bout of Klee influence at around the age of 17 it was fascinating, and rather shocking, to hear of the comparatively low esteem in which he holds his work today. Mr. Phillips tended to dismiss Klee as a brilliant hit-or-miss improviser; someone you hopefully patronise as you do your favourite jazz-musician, knowing that "every third night it will be magic." It made one wish to go back a few years to the Klee exhibition at the Hayward Gallery in which these assessments could be tested against the work.

I was complaining the other week that not enough good writers specialised in writing for radio. It seems therefore particularly ungrateful when Don Howarth writes a new satirical play direct for radio, *The Last Ride of Walter Enderby, Motorist and Amorist* (Radio 3, December 30) to say that I did not really enjoy it much. But there it is: in spite of a fine throaty performance by Nigel Stock as the old rascal at the centre of the comedy I found this piece to be like its title—long winded and not very funny.

The Witch and the 'widow'

"Holiday entertainment"—ominous phrase, at least in the opera house. In search of a wider audience, managements are lured into operetta, with its dangerously unfamiliar conventions of speech and staging, or into *Hansel and Gretel*, a work apparently assuming that children still at fairy-tale age have developed a palate for Wagnerian musical subtleties. At Leeds, the English National Opera North has plunged into both these hazards, emerging creditably with Humperdinck but losing with Lehár and *The Merry Widow*.

Hansel and Gretel is, admittedly, not handled with any special innovative flair. I am still waiting for a producer to "use" the overture—to realise that on its own it must bore any youngster not already familiar with the opera, and needs a visual counterpart of some sort. But otherwise Patrick Libby's staging recaptures the story well. The cast is deliciously dominated by the wide-skirted, high-heeled, décolletée Witch of Ann Howard, a kind of fairy godmother gone wrong—stylish and comic and gorgeous all at the same time, and singing splendidly too. What a cheat, though, that she does not fly, either in person or (as in some other productions) in a simulated image.

This is a revived production by the company, but with a charming new pair in the title roles. Fiona Kimm (Hansel) and Kate Flowers (Gretel) are both products of the Glyndebourne Chorus, that distinguished nursery for young British singers. Apart from the initial dance, Miss Kimm successfully avoids that exaggerated boyishness which can mar the role; she now needs only to find (as Patricia Kern used to find) just a shade more fun. Miss Flowers was particularly touching at her awakening in the forest. Both are small of stature, adding greatly to the terror of the encounter with the tall Witch. John Rawnsley (another young Glyndebourne alumnus) was likewise excellent as the Father, trumping the composer's optional high G with his own B flat in the happy final scene of reunion.

Adam Pollock's set regrettably places two crucial areas of action (Hansel's cage and the Witch's oven) at extreme sides of the stage, out of vision of many of the audience. Why is it necessary to make such a complaint so often? I did not much care for the gothic façade descending clumsily to earth so that the inevitably sickly angels could step through it. But the set at least allowed the performance to proceed with only one interval instead of two. David Parry, who did not quite sort out the contrapuntal threads of the overture, was later a secure and persuasive conductor. He and the producer should urge the cast to still greater clarity in Norman Kelley's admirable translation.

The Merry Widow (which opened this instalment of the Leeds season) was, alas, a near-disaster, the result of stylistic miscalculations to which this company is not prone. Bad enough that the English National Opera North and its London sister-company should waste their resources with two separate new productions of the same operetta; worse that the northern effort should be so poorly cast, conducted, and produced. Wendy Toye is famous for her choreographic skills and for persuading opera singers to exceptional grace and co-ordination of movement. Here, in baffling self-renunciation, she let her cast move clumsily through a faintly serious and distasteful intrigue. Operetta's essential qualities of zip and charm were missing, and even the can-can was can't-can't.

It is unbelievable that no young, beautiful, seductively-singing soprano was available to portray the Widow herself with the vivacity which has kept the operetta alive for more than 70 years. Instead, the company summoned Elizabeth Harwood—who, appearing in a pudding of a wig, sadly disappointed those who searched their memories to recall her Mozart of past years. She sang with little tone, spoke dully, and moved as though uncertain of the next train to Bradford. David Hillman, though similarly not youthful-looking enough for Danilo, at least preserved from his former operetta experience something of the proper dashing style in voice and manner.

A young Norwegian soprano, Bente Marcussen, was promisingly but prematurely exhibited in the role of Valencienne, partnered by an earnest Adrian Martin as Camille de Rossillon.

Elizabeth Harwood

Thomas Lawlor as the cuckolded Ambassador did all he could to hold the piece together. The low points of a depressing evening were the "encores" of "Vilja" and of the all-male Septet which had evidently been planned in advance and were given without being called for. It is sad to say of David Lloyd-Jones—such a versatile conductor, as shown by his successive delivery of *Der fliegende Holländer* and *Tosca* on two earlier nights of the season—that he showed little affinity with Lehár's style. The lilt was missing, not least in the gratuitously inserted *Gold and Silver* waltz. The late Christopher Hassall's translation was (mostly) used, its elegance and wit crying out vainly to be matched.

ARTHUR JACOBS

Much Ado about Nothing

This production at the Warehouse has been touring the parish-hall circuit since August. They say it has been well received, but gauged against the usual Warehouse standard it hasn't much to offer.

It is drably costumed from some provincial Edwardian wardrobe; and uses no scenery, only a few props. Howard Davies's direction strikes no sparks from the text; evidently he has tried to squeeze it into the usual Warehouse formula of damning the behaviour of the rich and left it at that. Kenneth Colley's Benedick looks as if he would rather be playing in *Inadmissible Evidence*, and the wit ascribed to Charlotte Cornwell's ginger Beatrice comes out as mere bad-tempered grumbling. Even the comedy of Dogberry and Verges and the Watch is left to the mercy of Shakespeare's lines — pitiless without some kind of help from the players.

The only genuinely comic character is Fred Pearson's Leonato, and this puts the play into a very odd balance. What is more, he is moving too, in a masterly performance. His daughter Hero ("Leonato's short daughter," "too brown for a fair answer") is tall, blonde, attractive Jill Baker, who need not accept responsibility for the miscasting.

B. A. YOUNG

The Magic Circle Show

BY ANTHONY CURTIS

There are two sorts of stage magicians. Those with patter and those without. I prefer those without. I like a magician to be eloquent only with his hands, mystifying me in wordless mesmeric calm as palpable objects turn into thin air and vice versa. I found much of this kind to enjoy at the Collegiate Theatre in *The Magic Circle Show*. After some non-magical dancing it began with Valerie, "artistic magicienne," who pulls coloured silks from a painter's palette and makes them multiply. Silent, too, in his passes was the young French boy, Colin. He uses a white plaster-cast hand to supplement the work of his own graceful pair, and permits it to assume a sinister life of its own. If Cocteau were alive he would surely write a poem about the act.

Then there are the Gustafsons, Richard and Joanne, an American husband-and-wife team, who make lighted candles float in the air and sever the flames from the sticks, in impassive silence. Paul Gertner, another American, is a mute in a white suit who brings flaming brands into dangerous propinquity with delicate ostrich plumes which remain not only unsinged but enhanced by passing through fire.

Our own Larry Parker does talk a little, or at least tries to articulate verbally, but he remains incomprehensible because he appears to imbibe heavily during the performance. Mr. Parker presents a brilliant study of a drunk trying to conjure tricks out of reluctant apparatus in which he gets hopelessly and hilariously entangled.

Judy Moxon speaks not with her hands but her feet. The lady is a foot-juggler of dazzling virtuosity who spins barrels and boards around on the soles of her feet as you or I might spin a coin. This is an art allied to magic like ventriloquism, of which Jay Marshall gave an accomplished display. The grand illusionist this year was Zee, who makes his glittering partner in full cleavage swap cages with a leopard which then yawns to the accompaniment of recorded roars.

In my antipathy to patter-men I would make an exception of Terry Seabrooke, the genial master of ceremonies who borrows cigarettes, jackets and children from the audience, all of whom he treats with scant respect in his entertaining interventions between the acts.

If you were thinking of seeing the show the bad news is that the last two performances at the Collegiate Theatre, Gordon Square, matinée and evening, are today.

Lydia Mordkovitch

A concert in the Elizabeth Hall New Year's "Mainly Beethoven" series it may have been, but the main interest in Thursday's programme by Lydia Mordkovitch and Denis Donohoe was a performance of Bartok's Sonata for solo violin. The sonata is too rarely played, still less often played well; it is not only the most important work for the medium since Bach, but also the beginning of what might have been a new phase in Bartok's development. Miss Mordkovitch evidently possesses all the technique the piece requires (though some inner voices in the mainly chordal *Tempo di ciaconna* sounded awkward), but she is a violinist most likely to impress by her implacability: her tone and phrasing do not set out to ingratiate themselves. She was clearly more comfortable in the Hungarian "snaps" of the final Presto than in the rather Brahmsian lyricism of the *Melodia*, and the sense of the performance as a working sketch instead of a finished, definitive interpretation was hard to deny.

The increased confidence and incisiveness in the Kreutzer Sonata suggested firmer ideas. For a partnership that presumably has worked together only occasionally in the past (Miss Mordkovitch was a pupil of David Oistrakh and is now resident in Israel. Mr. Donohoe was a student at the Royal Northern College and in Paris with Yvonne Loriod) the results were assured, pleasantly matched, though the more obviously extrovert moments of the Sonata attracted Mordkovitch's attention once again. The remainder of the evening was taken up by Mr. Donohoe's shapely account of the Appassionata Sonata, clean and clear of texture if dramatically under-powered.

ANDREW CLEMENTS

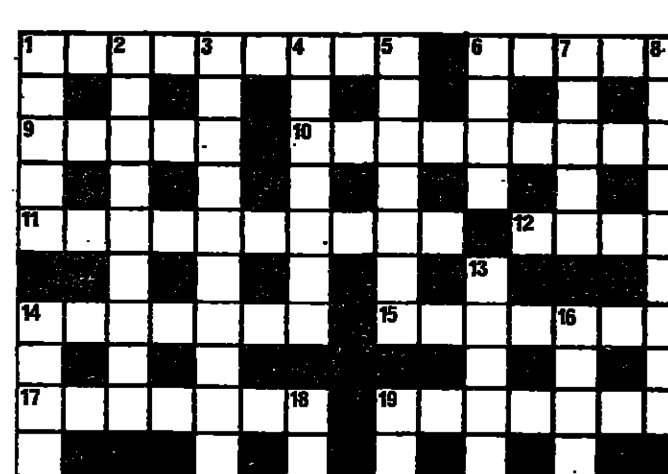
F.T. CROSSWORD PUZZLE No. 4,166

A prize of £5 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....

....



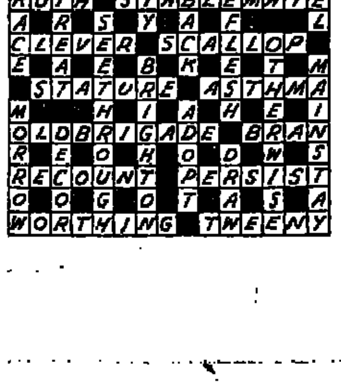
ACROSS

1 Mentioned being educated (7, 2)
6 Composer of no little harmonic skill (5)
9 South Africa left playing against love shots (5)
10 Song cycle by eastern amateur (9)
11 China puts sovereign on horse race (5, 5)
12 Wrapping used in contrast (4)
14 Loan may become an irregular matter . . . (7)
15 . . . to knight returning to Italian dish (7)
17 Accountant to run into the Spanish sweet (7)
19 Profited when authorised version, first class, went in front (7)
20 Willing to go to church in the past (4)
22 Just a habit of giving command to come into line (5, 5)
25 Order Yorkshire flower by contract (9)
26 Fuss engineers love (5)
27 Result of one of the races (5)
28 Part taken by a student of natural forces (9)

DOWN

1 Fundamental for graduate to have spelt like this (5)
2 Fuel officer with our painting medium (3, 6)
3 Foundation members put down weapons (6, 4)
4 Work of English painter at the lathe? (7)
5 Craftsman swinging the lead (7)
6 Boy before end of May acquires uncommon wife (4)
7 Underworld ring to offer greeting (5)
8 Easy way to Queen Street (5, 4)
13 TT like the British (6, 4)
14 Reach into an arrangement with recluse (9)
16 Forcibly expressed views frustrated by prolonged discussion (6, 3)
18 The French unit certain to have convenient opportunity (7)
19 Have ice broken to carry out . . . (7)
21 . . . scroundrel about to join nucleus (5)
23 Wonderful increase (5)
24 Heavyweight upset king with tie (4)

Solution to Puzzle No. 4,165



TV/Radio

BBC 1

† Indicates programme in black and white

9.05 am Better Badminton. 9.30 Multi-Coloured Swap Shop.
12.12 pm Weather.
12.15 Grandstand: Football Focus (12.20) Preview of the FA Cup Third Round; 12.45 Rugby League Challenge Cup Draw; Racing from Haydock (12.50, 1.20, 1.50, 2.20); Darts (1.10, 1.40, 2.40) Watneys MY British Open Championships; Cricket: Australia v England (2.10) Second Test highlights; Tennis (3.00, 4.05) Braniff Airways World Doubles Championship semi-final; Rugby League (3.20) John Player Trophy Final: Widnes v Bradford Northern: 4.40 Final Score.
5.15 Holiday On Ice.
6.05 News.
6.15 Sport/Regional News.
6.20 Dr. Who.
6.45 Jim'll Fix It.
7.20 All Creatures Great and Small.
8.10 The Dick Emery Show.
8.45 Dallas.
9.35 News.
9.45 Match of the Day.
10.55 Michael Parkinson with guests.

All Regions as BBC-1 except as follows:—

Wales—6.15-6.20 pm Sports News Wales. 12.00 News and Weather for Wales.

Scotland—4.55-5.15 pm Scoreboard. 6.15-6.20 Scoreboard. 9.45-10.55 Sportscene. 12.00 News and Weather for Scotland.

Northern Ireland—5.05-5.15 pm Scoreboard. 6.15-6.20 Northern Ireland News. 12.00 News and Weather for Northern Ireland.

BBC 2

11.15 am-12.30 pm Open University.
1.40 "The Little Mermaid." Czech film based on Hans Christian Andersen's story.
3.05 Play Away.
3.30 Saturday Cinema: "Stay Away Joe," starring Elvis Presley.
†5.10 The Trouble With Junia starring Barbara Everest.
5.35 Atoms For Enquiring Minds.
6.35 Cricket: Australia v England (highlights).
7.05 News and Sport.
7.20 "The Love Of Three Oranges," Prokofiev's fantasy opera, starring Robin Leggate, Alexander Oliver (simultaneous with Radio 3 stereo).
9.25 Soul Of A Nation. The Royal Family of Thailand, part 1 (part 2 Monday).
10.40 News On 2.
10.50 Tennis: Braniff Airways World Doubles Championship (highlights).
11.30 Midnight Movie: "Night People," starring Gregory Peck, Broderick Crawford and Rita Gam.
1.00 am Music At Night.

LONDON

8.40 am Sesame Street. 9.40 The Beachcombers. 10.05 Superman. 10.30 Tiswas.
12.30 pm World Of Sport: 12.35 On The Ball; 1.00 International Sports Special (Part 1) Ice Hockey; 1.15 News; 1.20 The ITV Seven—1.30, 2.00, 2.30 and 3.00 from Sandown; 1.45, 2.15 and 2.45 from Market Rasen: 3.10 International Sports Special (Part 2) Show Jumping from Harwood Hall, Upminster; 3.50 Half-time Soccer Round-up; 4.00 Wrestling; 4.50 Results Service.
5.05 News.
5.15 Oh Boy!
5.45 Happy Days.
6.15 Stars In Action: "Skyjacked," starring Charlton Heston, Yvette Mimieux and Walter Pidgeon.
8.00 Search For A Star.
8.45 Enemy At The Door.
9.45 News.
10.00 Heartland.
11.00 Pro-Celebrity Snooker.
11.45 Michel Legrand and Friends with Helen Reddy and Dizzy Gillespie.
12.45 am Close: Poetry with Cyril Luckham.

All IBA Regions as London except at the following times:—

ANGLIA

9.35 am Play Guitar. 10.05 Kum Kum. 5.45 pm Mork and Mindy. 6.15 The Saturday Movie: "Bridger." 11.45 Musical Special. 12.40 am At The End of the Day.

ATV

9.10 am Helping Hand. 9.35 Play Guitar 11. 10.00 Clue Club. 5.45 pm Mork and Mindy. 6.15 Saturday Cinema: "Ski Lift To Death." 11.00 The Late Night Movie: "There's A Girl In My Soup," starring Peter Sellers, Goldie Hawn and Tony Britton.

BORDER

9.00 am Helping Hand. 9.30 Play Guitar II. 10.00 Friends of Man. 5.45 pm Mork and Mindy. 6.15 Saturday Night At The Movies: "The Great Bank Robbery," starring Zero Mostel, Kim Novak and Clint Walker.

CHANNEL

5.14 pm Puffin's Pla(i)ce. 5.45 Mork and Mindy. 6.15 Feature Film: "The Hot Rock." 11.00 Untamed World. 11.30 Barney Miller.

GRAMPIAN

9.30 am Sesame Street. 11.00 pm Seachd Laithean. 11.15 Feature Film: "Death Squad," starring Melvyn Douglas. 12.40 am Reflections.

GRANADA

9.30 am Helping Hand. 9.55 Larry The Lamb. 10.05 Fangface. 5.45 pm Doctor Down Under. 6.15 Saturday Adventure: "Salvage 1." †11.00 The Late Film: Jane Wyman in "Miracle in the Rain."

HTV

9.10 am Numbers At Work. 9.35 Lucan. 6.15 pm "Doctor At Sea," starring Dirk Bogarde, Brigitte Bardot and James Robertson Justice. 11.00 "One Step To Hell," starring Ty Hardin, Pier Angeli, Rossano Brazzi and George Saunders.

HTV Cymru/Wales—As HTV General Service except: 5.45-6.15 pm Pwy Fase'n Meddwl ?

SCOTTISH

9.10 am Helping Hand. 9.35 Fantasy Island. 6.15 pm Saturday Action Adventure: "The Hot Rock," starring George Segal and Robert Redford. 11.00 Late Call. 11.05 Soap. 11.35 Star Parade.

SOUTHERN

8.45 am Play Guitar II. 9.10 Sesame Street. 10.02 Regional Weather Forecast. 10.05 Superman. 6.15 pm "King Solomon's Mines," starring Deborah Kerr. 11.00 Southern News. 11.05 "Revenge," starring Joan Collins.

TYNE TEES

9.00 am The Man From Atlantis. 9.50 The Monkees. 10.20 Morning Movie: "Robinson Crusoe and the Tiger." 5.45 The Muppet Show with special guest Dizzy Gillespie. 11.00 pm Police Story. 12.50 am Epilogue.

ULSTER

9.30 am Helping Hand. 9.55 Larry The Lamb. 10.05 Fangface. 10.30 Chopper Squad. 11.30 Sesame Street. 5.45 pm Makin' It. 6.15 Saturday Movie: "The Hot Rock," starring Robert Redford and George Segal. 11.00 Fantasy Island.

WESTWARD

9.25 am Saturday Morning Picture Show: "Safari," starring Janet Leigh and Victor Mature. 10.55 Look and See. 11.00 Untamed World. 11.25 Gus Honeybun's Birthdays. 11.30 Logan's Run. 12.27 pm Westward News. 5.45 Mork and Mindy. 6.15 Feature Film: "The Hot Rock," starring Robert Redford and George Segal. 11.00 Saturday Night In The West. 11.30 Barney Miller. 11.55 Faith For Life. 12.00 West Country Weather and Shipping Forecast.

YORKSHIRE

9.00 am Cartoon Time. 9.10 Spiderman. 9.30 Logan's Run. 6.15 pm Saturday Action Adventure: "The Hot Rock." 11.00 The Saturday Night Film: "The Anderson Tapes."

RADIO 1

(s) Stereophonic broadcast

5.00 am As Radio 2. 7.00 News. 7.03 Playground. 8.00 Tony Blackburn with Junior Choice. 10.00 Peter Powell. 1.00 pm Adrian Juste (s). 2.00 Paul Gambaccini (s). 4.00 Rock On Saturday (s). 7.30 Steve Wright. 10.00 Al Matthews. 12.00-5.00 am As Radio 2.

RADIO 2

5.00 am News Summary. 5.02 Cricket: Australia v. England (report). 5.03 Paddy O'Byrne (s) including 6.02, 7.03, 8.03, Cricket and 8.04 Racing Bulletin. 8.07 David Jacobs (s). 10.02 Kevin Morrison (s). 12.02 pm Paul Daniels with Star Choice (s). 1.02 Stop The World. . . 1.30-6.00 Sport on 2: FA Cup Special (1.30, 2.10, 2.35, 3.00, 3.20, 3.45, 3.50, 4.42 and at 5.00, 5.45 classified scores; Test Cricket (1.30, 3.05, 5.30) Australia v. England; Tennis 3.20, 3.45, 3.50, 4.42) and at 5.00, 5.45 Braniff World Doubles Championships; Racing from Sandown (1.30, 1.55, 2.25); Sports Report (5.00). 5.03 Europe 80. 7.02 Beat The Record. 7.30 Radio 2 Top Tunes "Special" (s). 8.02 The Geraldo Orchestra (s). 8.30 Semprini Serenade (s). 9.30 Big Band Special (s). 10.02 Hilversum Greets Radio 2 (s). 11.02 Sports Desk. 11.10 Ray Moore with The Late Show (s), including 12.00 News and 1.02, 2.02, Cricket: Australia v. England (reports). 2.03-5.00 am You And The Night And The Music with Bill Rennells (s), including 3.02, 4.02, 5.02, Cricket.

RADIO 3

12.00 midnight-7.05 am Test Match Special: Australia v. England. 7.05 Saturday Overture: Concert (s). 7.55 Weather. 8.00 News. 8.05 BBC Northern Symphony Orchestra (s). 9.00 News. 9.05 Record Review including Building a Library (s). 10.15 Stereo Release (s). 11.15 Bandstand (s). 11.45 Diversions: John Amis with classics on record (s). 1.00 pm News. 1.05 Peter Wallfisch: piano recital (s). 2.00 Play It Again: Robert Layton presents outstanding music of the past week (s). 5.00 Jazz Record Requests (s). 5.45 Critics' Forum. 6.35 Max Reger: Clarinet Quintet in A major (s). 7.15 "The Love Of Three Oranges," opera by Prokofiev (s) (simultaneous with BBC-2 television). 9.30 Stalin's Secret Armies (talk by Professor John Erickson). 9.50 Tartini Violin Sonatas (s). 10.45 Nicolai Medtner: A centenary assessment (s). 11.15 Medtner's Piano Concerto No. 2. 11.55-12.00 News. 12.00-7.05 am Test Match Special: Australia v. England.

RADIO 4

6.25 am Shipping Forecast. 6.30 News. 6.32 Farming Today. 6.50 Yours Faithfully. 6.55 Weather: programme news. 7.00 News. 7.10 On Your Farm. 7.40 Today's Papers. 7.45 Yours Faithfully. 7.50 It's A Bargain. 7.55 Weather; programme news. 8.00 News. 8.10 Sport On 4. 8.45 Today's Papers. 8.50 Paw-Paw and Porridge. 9.00 News. 9.05 Breakaway Goes Boating at the Boat Show. 9.50 News Stand. 10.05 Talking Politics. 10.30 Daily Service. 10.45 Pick of the Week (s). 11.35 International Assignment. 12.00 News. 12.02 pm Money Box. 12.27 The News Quiz with Barry Took (s). 12.55 Weather; programme news. 1.00 News. 1.10 Any Questions? 1.55 Shipping forecast. 2.00 News. 2.05 Wildlife. 2.30 Saturday-Afternoon Theatre (s). 3.30 Does He Take Sugar? 4.00 News. 4.02 Goe In My Language. 4.30 Time For Verse. 4.40 Come To The Opera (s). 5.25 Week Ending (s). 5.50 Shipping forecast. 5.55 Weather; programme news. 6.00 News. 6.15 Desert Island Discs with Reginald Goodall. 6.55 With Great Pleasure: The Archbishop of York chooses poetry and prose (s). 7.35 Baker's Dozen (s). 8.30 Saturday-Night Theatre. 9.58 Weather. 10.00 News. 10.15 Encore. 11.00 Lighten Our Darkness. 11.15 The Philip Jones Brass Ensemble (s). 11.45 Shades of Night. 12.00 News.

BBC Radio London

5.00 am As Radio 2. 7.32 Good Fishing. 8.00 News; weather; traffic; sport. 8.15 Weekend What's On. 8.30 London Country. 10.03 Stuart Colman's Echoes. 11.30 The Robbie Vincent Show. 2.00 pm Time Off. 3.00-5.00 am Join Radio 2.

London Broadcasting

7.00 AM with Steve Wood. 10.00 Jellybone. 1.00 pm Sportswatch. 6.00 The London Interview. 7.00 Gast Male. 8.00 Monty At Large. 9.00 London Rules. 9.30 Hugh And You. 10.00 Nightline. 5.00 am Morning Music.

Capital Radio

6.00 am Kerry Juby's Breakfast Show (s). 9.00 Capital Countdown with Peter Young (s). 12.00 Kenny Everett (s). 3.00 Duncan Johnson's Afternoon Delight (s). 5.00 Greg Edwards's Soul Spectrum (s). 8.00 Roots Rockers with David Rodigan (s). 9.00 Nicky Horne's Six of the Best (s). 12.00 Mike Allen's After Midnight (s). 4.00 am The Collection (Classical Music) (s).

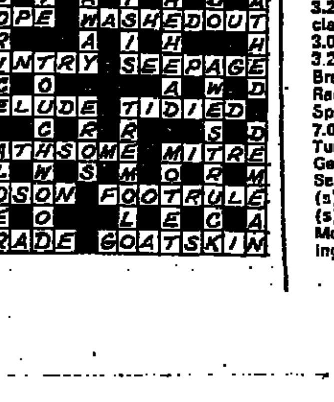
SOLUTION AND WINNERS OF PUZZLE No. 4,161

Following are winners of last Saturday's prize puzzle:

Mrs. E. F. Baker, 9 Parkside, Ivybridge, Devon PL21 0HV;

Mr. M. H. Drage, 111 Tankerville Drive, Leigh-on-Sea, Essex;

Mr. R. Saxby, The Oast House, Frensham, Surrey.



CHESS SOLUTIONS

Solution to Position No. 301

A draw by 1 B-B4, K-Q1! (not QxB? 2 N-Q5 ch); 2 BxQ stalemate. After the winning try 1 B-B5, Q-Q8 ch; 2 K-R5 Black has Q-KB8! 3 P-B8=Q? Q-R3 mate.

Solution to Problem No. 301

1 R-QN4, KxR; 2 N-B3, or if K-K7; 2 N-B4, or if K-K6; 2 N-B1. Not 1 R-QB4? K-K7 nor 1 R-Q4? K-K6.

etaoin etaoin shrdlu shrd hs shs

STAMPS COLLECTING

All of a flutter

BY JAMES MACKAY

VICTORIAN BRITAIN had a very casual attitude towards wildlife. All too often the maxim was "If it moves, shoot it," while the robbing of birds' nests was the most popular of the acquisitive hobbies. Now bird-nesting has been mercifully supplanted by stamp-collecting and progressive legislation has severely restricted the activities of two-legged predators. Horrific tales of the killing of the last Great Auk, or the wholesale slaughter of entire species, have passed into legend, but even today the taking of peregrines and kestrels and the plundering of osprey nests are not unknown.

It was the realisation that certain wild birds were in danger of extinction which led to a change in attitudes and the passing of the Wild Bird Protection Act in 1880. Though relatively limited in scope, guarding these creatures during their breeding season, the Act was a major development and its centenary is the pretext for a set of four stamps which will be issued on January 16.

The designs, by the wildlife artist, Michael Warren, feature some of our most popular waterbirds. The 10p depicts a kingfisher which, though seen in many countries, is typically British. The dipper is found all over northern Europe and is an obvious choice for the 11½p stamp covering the basic letter rate to this area. The moorhen is another international favourite, particularly in North America, and thus it finds itself on the 13p stamp, while the migratory yellow wagtail is the subject of the 15p stamp, covering the third zone of airmail postage.

Though well known for his wildlife studies, this is Mr. Warren's first venture into stamp design. The stamps are being printed in multicolour photogravure by Harrison and Sons in sheets of 100. Although the panes will still be divided by "gutters" of blank paper the colour blobs known as traffic lights will not be shown in the gutter and those Traffic light gutter pairs which have proved such a heartache to collectors (unless they purchased complete sheets) are now hopefully a thing of the past.

This issue presents plenty of collectable material nonetheless. Pictorial first day covers, designed by Sutherland Hawes and Associates, are available from post offices. In addition to the usual first day of issue posting facilities, which now extend to most of the major post offices, there will be two pictorial first day of issue handstamps, at the Philatelic Bureau in Edinburgh and at the headquarters of the Royal Society for the Protection of Birds in Sandy, Bedfordshire. Though not inscribed "First Day of Issue," several pictorial handstamps will be used on January 16 at the Wildfowl Trust's offices in Arundel, Washington (Tyne and Wear), Peakirk (Peterborough) and Martin Mere (Liverpool).

Collectors wishing these special pictorial handstamps may obtain them under the reposting facility by sending on the day of issue self-addressed envelopes bearing one or more of the bird stamps, under an outer cover endorsed "Special Handstamp British Birds" to the Philatelic Bureau or the relevant head postmasters.

Presentation packs containing a set of the stamps have an explanatory text written by Sir Peter Scott, who also provided the copy for the first day cover filler cards. Four new postcards, each featuring one of the stamps, are already on sale at 8½p each from the Philatelic Bureau and most head post offices.

Considering the wealth of bird life in the British Isles the British Post Office has made little use of this subject. Two birds appeared on one of the National Nature Week stamps in 1963 and three years later a set of four stamps depicted black-headed gull, blue tit, robin and blackbird. Otherwise birds have been quite incidental to other subjects, such as the assortment of domestic fowls that graced the 1977 Christmas series illustrating the carol "The Twelve Days of Christmas" or the International Year of the Child 9p stamp showing Jemima Puddleduck.

The Crown dependencies have been more generous. Manx definitives have featured shearwaters and choughs, while two of the stamps issued recently to celebrate the centenary of the Manx Natural History and Antiquarian Society depicted peregrine falcons and fulmars. Jersey has issued several sets publicising the work of Gerald Durrell's Wildlife Preservation Trust and included exotic species, such as white-eared pheasant, thick-billed parrot and Rothschild's mynah. The most recent set, issued in November, showed a pink pigeon on the 6p stamp. In addition, a set of four stamps appeared in 1975 with designs by Jennifer Toombs showing seabirds—common tern, storm petrel, brent geese and shag. Guernsey had a set of four in 1978 depicting gannet, firecrest, Dartford warbler and spotted redshank.

Two Commonwealth countries are launching new definitive sets this month, both with a bird theme. Sri Lanka's set ranges from the Ceylon blue magpie on the 10 cents to the yellow-fronted barbet on the 5 rupees, while Sierra Leone's set of 14 stamps ranges from the Sierra Leone touraco (1 cent) to Denham's bustard (5 leones).

WINNERS OF CHRISTMAS CROSSWORD

The following are the winners of the Christmas Prize Crossword Puzzle. They each receive a prize of £10.

Mr. W. K. Dodd, The Garey, Rheast Lane, Peel, Isle of Man; Mr. H. A. Emerson, The Weaver's Cottage, Smarden, Kent; Mr. R. G. Hemstritch, 1 Benett Drive, Hove, East Sussex BN3 6PL; Mr. R. E. Smith, 75 Chestnut Springs, Lydiard Millicent, Swindon, Wilts; Mrs. J. A. Teesdale, The Old Vicarage, Podington, Wellingborough, Northants.

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D		C				O		R		W		H		O		O		S
E	X	E	A	N	D	W	Y	E		E	L	O	Q	U	E	N	C	E
N				O		E				L		R		T				N
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		A		B				A				E		B		X		L
	H	I	L	A	R	I	T	Y		H	Y	S	T	E	R	I	A	
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Wemyss revival

BY JUNE FIELD

THIS YEAR is the centenary of that characteristic rose- or fruit-festooned product Wemyss Ware, made in the 1880s by the Fife (or Gallatown) Pottery in Kirkaldy. The name derives from Wemyss Castle, home of the Grosvenor Family, whose interest in the ware is marked by such shapes as the Grosvenor or Lady Eva vases.

It is also the year of the Wemyss revival, with Royal Doulton producing a centenary goblet in an exclusive edition of 500, in honour of Queen Elizabeth, the Queen Mother. Designed by artist Alan Carr, the goblet carries the Royal Cypher, which directly continues the commemorative traditions of Wemyss. The original pottery made chalices to mark Queen Victoria's Diamond Jubilee, the Coronation of King Edward VII and Queen Alexandra, and the Coronation of King George V and Queen Mary, all collector's items now. Other items to be revived will be such things as money-boxes, candlesticks and so on, pieces that are pretty to look at as well as useful.

Wemyss Ware was the brainchild of Scottish potter Robert Methven Heron, but its commercial success was really due to a Bohemian decorator, Karel Nekola. Before his arrival in 1883 Wemyss motifs were painted in a stiff and pedestrian manner, far removed from the later free-flowing style. Charmed by the strange attractiveness of this fresh and naturalistic style of painting, Wemyss was quickly taken up by the Scottish lairds, before being promoted in London through Thomas Goode of Mayfair, who became their sole retail outlet in England.

Its success had nothing to do with efficient potting though. The chamber pots, vases, wash sets, inkwells and the rest rapidly became stained, chipped and cracked if used at all frequently. The ware was brittle, porous, heavily crazed and about three times the price of its competitors such as Wedgwood!

By the turn of the century, Wemyss was in its heyday, and Nekola, by now married to Miss Heron's cook, Isabella, was training others to imitate and extend the style. But in 1915 he died, and though his successor, Edwin Sandland, was an excellent artist and a highly commercial decorator, he lacked Nekola's flair.

In 1928 Sandland died, and some two years later the pottery had closed. Then the Bovey Pottery, of Bovey Tracey in Devon, took over the patterns and employed Joseph Nekola, Karel's son. Finally, in the late 1930s, the sole agency was bought by a Czech agent, Jan Plichta, and he kept a limited production going until 1946. Then in 1952 Joseph died. Plichta died in the early 'sixties and the pottery finally folded, its products already in decline.

The Wemyss resurgence started in 1971, when the Scottish scholar and botanist, Professor Peter Davis, fascinated by the botanical bravura of Wemyss, combined with the Scottish Arts Council to put on an exhibition in Edinburgh. As he wrote in the catalogue: "The pots are not so much decorated, as the 'canvas' for vigorous, three-dimensional, underglaze painting."

It was from Rogers de Rin, and in particular, Victoria de Rin, that the next boost came. In 1976, with the help of David Battie, director of the ceramics department at Sotheby's, Belgravia, she mounted a massive Wemyss exhibition supported by a catalogue that is the definitive work until the book she is collaborating on with Dr. Davis is published.

Victoria says that Wemyss is still sufficiently cheap at the bottom end to make it possible for the modest collector to acquire, as well as being sufficiently dear and rare at the top end to give the less budget-conscious the thrill of attainment.

"It is also in relatively short supply, and no huge and unknown caches are lurking to swamp the market. From the original production figures, it is clear that only some 100,000 pieces were made. Of these, possibly only 25,000 remain."

Prices of course are moving up. A pig which would have cost £20 in 1971, is probably worth £300 today, and last month at a Scottish auction over £1,000 was paid for a rare fish tureen. At Victoria de Rin's shop, 76 Royal Hospital Road, Paradise Walk, London SW3, there are pieces from £20, such a rose-painted brush vases, pen trays and small jugs, with preserve pots £30-£50 according to size and decoration. A few of the "Wemyss Ware" catalogues are left (£5 post-free), and you can send for a free brochure on the Queen Elizabeth, Queen Mother goblet which is on display.

Over 50 goblets at £285.50 each have been sold and delivery will be in rotation, as Doulton can only paint 70 a month, and it will also be sold by their stockists and Thomas Goode. The run should be completed by September—when it is planned to present it at the Duke of Atholl's Blair Castle. The Huntley House Museum will also be putting on an import Wemyss exhibition in the Tolbooth, Edinburgh, as part of the centenary celebrations.

Commemorative goblet by Royal Doulton in honour of Queen Elizabeth, the Queen Mother, to mark the Wemyss centenary. Being produced in an exclusive edition of 500 it is on display at Rogers de Rin, 76 Royal Hospital Road, Paradise Walk, Chelsea, SW3

BRIDGE

E. P. C. COTTER

PROFICIENCY AT any game, indoor or outdoor, is acquired by study and practice. For any serious student, anxious to improve his play of the cards at bridge, From Average to Expert (Batsford, £5.95) by Barry Seabrook will prove a great help. In 12 chapters he deals with various aspects of dummy play clearly and concisely. Let us look at timing and control:

N
♠ 7 4 3
♡ K 9 6
◇ A 6 5
♣ 10 9 4 2

W
♠ J 8
♡ 7 3
◇ K Q J 10 3
♣ Q J 5 3

E
♠ Q 5 2
♡ Q J 10 2
◇ 9 8 4 2
♣ 8 6

S
♠ A K 10 9 6
♡ A 8 5 4
◇ 7
♣ A K 7

At love all South deals and bids one spade, North says one no trump, and South rebids three hearts. North gives preference with three spades, and South bids four spades.

West leads the diamond King, and dummy's Ace wins. With one certain heart loser and a loser in each black suit, the declarer sees that he must assume a 3-2 division of the trumps. Then he examines the heart situation. The likely 4-2 break suggests that one heart ruff in dummy may be necessary. If South draws two rounds of trumps and follows with Ace, King and another heart, East will draw dummy's last trump; if he draws one round of trumps before playing three rounds of hearts, East will win the third heart and play a fourth, allowing his partner to make a ruff.

Declarer must take countermeasures against these possibilities, at the same time keeping firm control on the trumps. At trick two he may, if he so wishes, draw one round of trumps, but then he ducks a heart in each hand. He wins any return, and now cashes his second high trump, and continues with King and Ace of hearts. If either of these is ruffed, it will be at the expense of the defender's natural trump trick, and dummy's seven of spades stands sentinel to take care of the fourth heart.

Are you satisfied that you would have timed the play so precisely?

This deal illustrates discovery:

N
♠ K 10 9 6
♡ A 4
◇ K 10 3
♣ K Q 6 3

W
♠ 5 3
♡ 10 9 8 7 6 2
◇ —
♣ J 10 7 4 2

E
♠ 4 2
♡ J 3
◇ A Q 8 7 6 4 2
♣ 9 5

S
♠ A Q J 8 7
♡ K Q 5
◇ J 9 5
♣ A 8

South deals with East-West vulnerable and bids one spade, to which North says four no trumps, using Blackwood like a bludgeon, and bids six spades after the five heart response.

West leads the heart ten, and declarer's first thought is that everything depends upon guessing where the Ace and Queen of diamonds are located. Winning with dummy's heart Ace, he draws trumps, but then, before facing the diamond situation, he starts out on a voyage of discovery. He cashes King and Queen of hearts, throwing a diamond, and East shows out. He continues with Ace, King, Queen of clubs, throwing a diamond from hand, and East throws another diamond.

If declarer has done his homework properly, he now knows that East's hand pattern is 2-2-7-2, which means that West is void of diamonds. The slam is now on ice. South plays dummy's fourth club, throwing another diamond from hand, and West is endplayed. Whichever suit is returned, heart or club, concedes a ruff discard—dummy ruffs while declarer's one remaining diamond is discarded. South feels that life is good, and is even prepared to forgive North's indifferent bidding.

CHESS

LEONARD BARDEN

ONE OF THE MOST interesting players on the Cutty Sark tournament circuit is the Surrey-based international Michael Basman. Always an inventive and original thinker, he once earned high praise for his creative skill from the former world champion Botvinnik. He has not quite fulfilled his youthful promise, and the IM title continued to elude him despite many attempts; but he is a danger to the best.

Basman is the pioneer in this country of chess teaching by cassette. His "Audio Chess" has a wide range of tapes ranging from talks on the world championship by Korchnoi's assistants Keene and Stean to in-depth studies of particular openings. The cassette prices are roughly equivalent to chess books, but they can be hired via an inexpensive library service. Recent tapes include Stean on adjournment analysis, Nunn on the Benoni, and basic instruction for beginners. A full catalogue is available from Audio Chess, 7, Billockby Close, Chessington, Surrey (01-397 1826).

A feature of Basman's play is his faith in unusual and even eccentric openings. People in chess make jokes about this and talk about his "Basmaniac style," but this underestimates the serious content of Basman's ideas. Notable chess thinkers of the past such as Steinitz and Tartakover also specialised in offbeat gambits and manoeuvres. Some failed but others had a lasting vitality for later generations, such as Tartakover's Orang-Outang 1 P-QN4 which was taken up by Sokolsky in the USSR or Steinitz's N-KR3 retreat in the Two Knights Defence which was revived by Bobby Fischer.

Basman proved the effectiveness of his non-theoretical approach with his 1 P-K4, P-QB4; 2 N-KB3, P-K3; 3 P-Q4, PxP; 4 NxP, B-B4 variation of the Sicilian Defence which nearly won him the British Championship and an IM title in 1973-74. His current interest is an all-purpose opening valid for both White and Black—either P-K3 with P-QR3 and P-QN4 for queen's side play or even more strikingly P-KN4 and P-KR3 on the other flank.

Experience shows that these seemingly bizarre systems are not easily downed and frequently induce opponents to over-press in trying for an "energetic" refutation. An Audio Chess tape is on the way on the P-QR3/P-QN4 system.

The formation has something in common with the Modern Defence (where Black plays P-KN3 and B-N2 but often makes a later Q-side pawn expansion) and the Benko Gambit where Black plays P-QN4 as a pawn sacrifice.

Basman has even demonstrated that 1 P-KN4 has teeth. At the recent Pergamon Press congress in Oxford, he defeated the grandmaster winner of the £2,000 Cutty Sark Grand Prix.

White: M. J. Basman, Black: J. D. M. Nunn.

Spike Opening (Oxford City 1979).

1 P-KN4, P-Q4; 2 P-KR3.

Previous analysis of this opening concentrated on the gambit 2 B-N2, BxP; 3 P-QB4.

2 . . . P-K4; 3 P-Q3, B-Q3; 4 N-KB3, P-QB3; 5 P-B4, N-K2; 6 N-B3, P-KR4.

A natural move to exploit the K-side pawns, but the black rook proves exposed. 6 . . . O-O followed by P-KB4 is a better plan.

7 PxRP, RxP; 8 B-Q2, P-QR3; 9 P-K4, PxBP.

If he blocks the centre by P-Q5 then N-K2-N3, while if 9 . . . B-K3; 10 N-KN5.

10 PxP, N-Q2; 11 N-KN5, N-B3; 12 Q-B3, N-N3; 13 O-O-O.

Now it is clear that Black's P-KR4 has improved White's K-side attacking chances, while the KN5 knight stops its black counterparts reaching the Q5 outpost via K3.

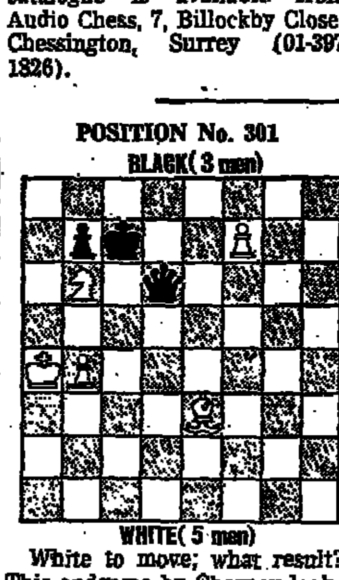
13 . . . Q-K2; 14 K-N1, N-B5; 15 R-N1, K-B1; 16 N-K2, N-K3; 17 NxN, ch, BxN; 18 N-N3, R-R1; 19 B-N5.

Another favourable factor—Black has no KRP to chase away this bishop.

19 . . . R-Q1; 20 B-K2 (also good is an immediate 20 N-R5). RxP; 21 Q-N2, B-B2 (B-B4 is a better chance); 22 N-R5, RxR ch; 23 RxR, RxN (else BxN follows); 24 BxR, Q-N5; 25 B-K2, BxP; 26 BxB, QxB; 27 BxN, PxB; 28 Q-N4, Q-K3; 29 QxQ, PxQ; 30 R-Q7, Resigns. The ending after B-N3; 31 P-B3 is hopeless for Black.

POSITION No. 301

BLACK (3 men)

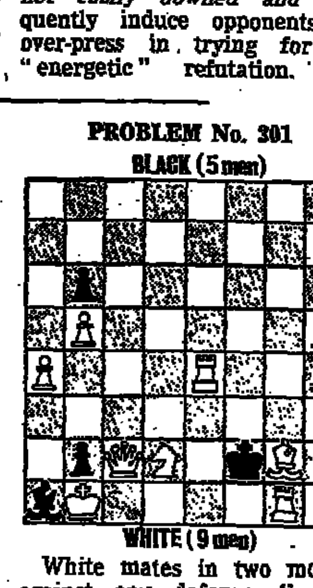


WHITE (5 men)

White to move; what result? This endgame by Chernev looks simple but the correct judgment depends on some hidden tactical points.

PROBLEM No. 301

BLACK (5 men)



WHITE (9 men)

White mates in two moves, against any defence (by K. Junker, Schwalbe 1947).

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Waking up to a headache

CLUTCHING at the first hint of hope in the steel dispute like a drowning man, the markets managed to stage a small rally yesterday; but nothing can alter the fact that the 1980s have come in like a blinding headache. During the holiday the world, instead of taking time off, has changed notably for the worse; our own domestic problems have been greeted with some philosophy simply because the threats overseas are so much graver. The crude Russian intervention in Afghanistan has put the whole process of detente in danger, though it may have relieved the Americans of the role of bogeyman of the Moslem world; the magical solutions in Southern Africa now look less magical.

Tensions

The temptation in such forbidding circumstances is to crawl under the blankets for a longer holiday, or to panic into gold—both tendencies have been noticeable in the City. However, the world has hardly fallen apart to an extent which defies all rational analysis, and facts must be faced. Short of a spreading conflict and the measured and careful U.S. response implies no such thing—the Afghanistan tragedy is likely to lead to greater polarisation, enhanced defence spending, and prolonged tensions.

One notable and still imponderable result of the combined crisis in Afghanistan and Iran is a profound change in the popular mood in the U.S. If this is sustained, it could reverse the retreat from involvement and big Government which marked the 1970s, and give a new influence to what its enemies call the military-industrial complex. The economic implications possibly include higher taxes to support defence effort, and a more aggressive pursuit of U.S. economic interests.

Bleak

A sense of this mood probably inspired the rumours of resumed and aggressive U.S. gold sales which upset the bullion market yesterday; but that overbought market was ripe for bearish rumours. A much more significant consequence would be an atmosphere in which President Carter could at length enact the measures needed to start an effective U.S. energy policy, designed to reduce U.S. dependence on imported oil, and other measures needed to reinforce the defence of the dollar. Such measures could in fact do much to calm the near-panic which has seized the international financial markets recently.

Assuming that the alliance does draw together in the face of external threats and assuming, too, that the affairs of Zimbabwe Rhodesia can still be brought to some more or less acceptable conclusion, preserving normal relations between the West and the rest of non-Communist Africa, a picture begins to emerge which is bleak but not entirely depressing.

Enhanced efforts to strengthen our defences and speed up the development of alternative energy sources are highly expensive. The future could be rather more like the past—in the sense of sluggish rather than falling output, a high tax burden and an unsolved inflation problem—than recent forecasts would suggest.

Against this background, our domestic problems may also have to be reassessed. In its first months Mrs. Thatcher's Government has embarked on radically new economic policies which, while they are becoming widely understood, as has been shown in the generally rather muted mood in the labour market, so far command little sympathy or hope. On the international scene, on the other hand, the new Government has undoubtedly achieved a remarkable change in Britain's diplomatic impact and the Prime Minister sounds determined to maintain this impetus.

This probably means that the promised rises in defence expenditure, which were quietly rolled back in the first public spending review, may now be planned in good earnest. Since the energy programme is also to be speeded up if possible, and the cost of the Clegg awards must be met, it is small wonder that public spending in total remains a problem.

Pressures

The review of medium-term plans which is now nearing completion in Whitehall is in the long run a far more searching test of the Government's determination than the outcome, probably later than the market hoped yesterday, of the steel strike. There is little hope left among those who study such figures that the present review can do more than contain the borrowing pressures which have raised long-term interest rates and are beginning to inhibit industrial investment. A new Government tap stock which ended a modest recovery in the gilts market speaks of the awareness of a long, hard slog ahead.

However, although the outlook is hazardous and forbidding, we do seem, internationally and domestically, to have been forced to confront unpleasant realities, whether of Russian expansionism, the dangers of dependence on imported energy, or the folly of trying to print resources to meet inordinate demands, which we have been trying to evade for years. There are worse ways to start a decade.

Afghanistan: the superpower balance trembles

By JUREK MARTIN, U.S. Editor

IF THERE is one man in Washington for whom it is reasonable to bleed this week it is Mr. Cyrus Vance. For nearly three long years, the overworked and under-valued Secretary of State laboured manfully for one central proposition: that, whatever the vicissitudes that might otherwise beset American-Soviet relations, it was in the fundamental interests of both superpowers, not to mention the rest of the world, that the lid be kept on the potentially ruinously expensive arms race and that achieving this goal ought to override all else.

It was Mr. Vance, more than anyone else, who sustained President Carter's commitment to the Strategic Arms Limitation concept through all its buffetings from Moscow, through all the counter-arguments presented by the President's more hardline National Security Adviser, Dr. Zbigniew Brzezinski, and in the face of the chorus of American critics who sought to link SALT with a series of Soviet transgressions around the world, ranging from its treatment of its own dissidents to its sponsoring of Cuban-fomented revolution and warfare.

But not even Mr. Vance could withstand the latest eruption, this time in Afghanistan, of the overt manifestation of Russian imperialism, almost right on its ten year rhythmic cycle. Hungary in 1956 and Czechoslovakia in 1968 created crises in the delicate superpower relationship: so has Afghanistan.

SALT, both the practical expression and symbol of detente, is dormant, though not extinct. It is, in the present climate, unlikely to be resurrected in an American presidential election year, a source of grief to Mr. Carter who would have liked to brandish it around the country as a great foreign policy achievement. The world's two principal heads of state are, in effect, accusing each other of lying, a far cry from the days of Vienna last June when, at the SALT signing ceremony, the U.S. President tenderly prevented his elderly Russian counterpart from falling down.

Election year challenge

The gold and international money markets are in a state of confusion having abandoned sound economic reasoning and succumbed, for the moment, to fear of the unknown.

It is a crisis which, on the surface, seems to have come at an inopportune time for the U.S. An election year breeds its own preoccupation, some would even say paralysis of government, particularly when a sitting President is vulnerable—as Mr. Carter, his restored current popularity notwithstanding, still is. But international challenges from Moscow have a habit of recurring too—witness in election years 1948 (Berlin), 1960 (the U-2 incident), 1968 (Czechoslovakia and renewed Soviet support for North Vietnam) and even 1976 (the Cuban-Russian involvement in Angola). The U.S. system has suceeded, successively, in meeting the threat.

But on this occasion the problem seems more acute. For two months the U.S. has been grappling with the irrational in the shape of the revolutionary regime in Tehran, unable, for all its apparent might, to persuade a mediaeval theocracy to surrender its illegally taken hostages. To some in the world and in America, this represents a new nadir for American influence, a symbol of the retreat from power, and, as such, an open invitation to the Soviet Union to practise its version of imperialism and fill the power vacuum.

It is quite likely that the Kremlin took into consideration both the implications of Iran and the already doubtful prospects for SALT when it decided to march into Afghanistan. But the suggestion of weakness, of lack of will on the part of the U.S. is one which, of course, the Carter administration does not buy. In part this is a defensive reaction, because it is about to be assailed with domestic criticism for ever having thought the Russians could be trusted in the first place.

It also stems from the more consistently held view that the U.S. strategic and geo-political posture in the world is nothing like as vulnerable as has been alleged and that, from this base, the U.S. has been presented by the invasion of Afghanistan with a unique opportunity to capitalise on a Russian error—much as the Soviet Union was never slow to capitalise on the opprobrium that attached to the U.S. for waging the Vietnam war.

President Carter not long ago told a visitor to the White House, an American journalist, that sometimes he sits alone in the Oval Office and contemplates the large globe he keeps there and wonders how it looks from the Kremlin. He concluded, with a sort of folksy optimism, that it looked an awful lot better from his vantage point and that whatever the Soviet Union had gained in Ethiopia, South Yemen, Vietnam, Cambodia, and parts of Africa and elsewhere was more than offset by the tangible achievements of the U.S. and its allies.

Specifically these include: the strengthening of NATO, especially last month's theatre nuclear force decisions, the consolidation and enlargement of the European Economic Community, the dwindling threat of Eurocommunism, the rapprochement with the People's Republic of China (which the Defence Secretary, Dr. Harold Brown, was seeking further to develop in leaving for Peking yesterday), the U.S. sponsorship, to the exclusion of the Soviet Union, of the peace process in the Middle East, the success of the British, with U.S. help, in ending the war in Rhodesia and the prospects for a settlement in Namibia. Moreover, American troubles in its own backyard (the Caribbean and Central and South America) seem inherently less grievous than those the Russians may yet have with Eastern Europe and in its own substantially Moslem Asian provinces.

President Carter pictured shortly after the Soviet invasion of Afghanistan last week. In the background is National Security Advisor Zbigniew Brzezinski.

At least some of the above gains (of which several remain fragile) and most of the moves the U.S. is now taking in retaliation for Afghanistan have and will be made at the expense of the premises and promises which the Carter administration made when it came to power nearly three years ago. Mr. Carter won office on a pledge to cut defence spending, not, as he has recently done, substantially to increase it; to avoid the Kissingerian concept of linkage by employing the dual strategy of entertaining both competition and co-operation with the Soviet Union; to scale down international arms trafficking, not, as he has done in sales to such diverse nations as Egypt, Israel, Morocco, Saudi Arabia, North Yemen and now Pakistan and Taiwan, to raise it; to pursue nuclear non-proliferation at all cost; not to sacrifice the principle by selling arms to Pakistan only months after the U.S. had banned them because of President Zia's determination to build a nuclear bomb; to reduce the U.S. military commitment to South Korea, another long-abandoned goal.

Given the high moralistic tone with which the President set out, this constitutes quite a long litany of broken promises. To be fair to Mr. Carter not all the original rules have been broken. The U.S. has not overtly intervened in the internal affairs of other countries, there have been no Vietnams, Dominican Republics, Bays of Pigs. Right-wing dictators can no longer automatically assume the U.S. will support them because they are old friends and stable to boot (witness the departure of the Shah and General Somoza). It is not inaccurate for the Administration to claim that the new global interdependence and the limitations on the use of American power have been understood.

To some, most notably Dr. Brzezinski, the U.S. had already begun to recover from its post-Vietnam, post-Watergate introspection even before the Soviet Union once again practised old-fashioned imperialism. He made that claim most recently when the President announced his bigger defence budget and, specifically, the proposed creation of a rapid deployment of military force for use to protect Western interests around the world. His point may have been debatable then, but does not appear so today, if for no other reason than the creation by the Soviet Union of a "new reality" in global affairs.

Nobody in Washington imagines it will be either quick or easy to exploit Russian repression of Afghan Moslem insurgents by turning the present arc of crisis in the region into a crescent of pro-American Islamic solidarity—thereby securing the West's Middle East oil lifeline.

For a start, the U.S. confrontation with Iran is unresolved. The apparent failure of UN Secretary-General Dr. Kurt Waldheim's mission to Tehran can only force the U.S. into yet sterner reaction against Iran and there is still no hard evidence that the Iranians have come to appreciate the U.S. belief that the greatest threat to their independence now emanates from Moscow, not Washington.

Too many of the nations in the region are themselves hardly stable—Saudi Arabia, as November's unrest showed, Pakistan, Turkey, even Egypt—and the U.S. must look to them for co-operation. The apparent Islamic revulsion against Western values and mores imposed on or assimilated by them over the years is not going to be easily dissipated, nor would a massive infusion of economic assistance (even if the U.S. could afford it) and the promise of military protection necessarily guarantee harmony. To its credit, the Carter Administration has long appreciated that it cannot shape the internal affairs of other countries to its own liking.

But, above all, there persists the great uncertainty over Moscow's real intentions. This is not merely a question of whether the Soviet Union was acting defensively (to shore up a client regime) or offensively (to move towards a warm water port on the Indian Ocean) in invading Afghanistan, but what its longer term posture will be once it has subdued the Afghan insurgency. It is assumed in Washington that though this task may be hard, the Russians will not be reticent in the use of military power, since it will have no domestic explaining to do, while the ability of the U.S. and its friends effectively to train and arm Afghan tribesmen via Pakistan is limited.

Facing the future

But, after Afghanistan and regardless of whether President Brezhnev or a successor heads the Russian Government, it is always possible, perhaps probable, that the Soviet Union will turn a blander face to the West and ask that the interruption in detente be ended. Since the end of the Cold War, successive American Presidents have assumed a mutuality of superpower interest. Though President Johnson suspended SALT talks after the invasion of Czechoslovakia, President Nixon was not slow to pick them up again once the distasteful dust had settled.

Mr. Vance, who wants to retire at the end of this year, will not be around when (or if) the Soviet offer is made. President Carter may be though, and, cognisant of the economic problems confronting the industrialised world in the 1980s, may find it hard to turn a deaf ear and proceed with the otherwise inevitable arms race. The same could be said of many of the challengers for his job, no matter how bellicose they sound today on the campaign trail.

Meanwhile, pending clarification of what the Soviet Union is really up to, the U.S., under President Carter's direction, is embarked, not entirely of its volition, on a new, hard-line course. The doves have retired to their cotes, the hawks are soaring free. The U.S. detects genuine opportunities to be exploited following the latest example of Russian aggression, but only by recourse to methods which, three short years and even less ago, it would have found distressing in the extreme.

Letters to the Editor

Russian roulette

From Mr. Jamil Ahmad

Sir,—I have read with great concern your editorial "Annexation in all but name" (December 31) on the Soviet backed coup in Afghanistan and the execution of President Hafizullah Amin which has sent shockwaves throughout the western world. It has come at a time when the Russians were hoping to exploit Iran's anti-Americanism. Moscow has been a close ally of Afghanistan since the Communist takeover in April last year. With Iran to the east, Pakistan to the west, the Gulf to the south and China to the north-east, its strategic importance to the Soviet Union is immense. Pakistan is the country most directly involved, after Afghanistan itself, in the Russians' arrival on the Khyber Pass, and the Americans rightly think it important to reassert that they will take every step, including the use of armed force, to preserve Pakistan's territorial integrity. Any American military and economic aid will come at the most opportune time when Pakistan has an estimated 350,000 Afghan refugees on its territory and Russian troops are deployed within striking distance of the border with Pakistan.

The Soviet Union is going to fulfil the Czarist dream and is determined to establish an overland route via Afghanistan and Pakistan to one or more major warm water ports in the Indian Ocean or even as a part of a longer range policy of containing China. Either course could have immediate implications for the security of both Pakistan and Iran.

America's allies must join in exerting what pressure they can on the Russians making clear that the situation in Afghanistan cannot be treated in isolation from their vital interests in the Middle East. Mrs. Thatcher's message to President Brezhnev is in keeping with her recent statements, notably her speech in New York, that the West must stand up for its beliefs in the strongest possible way.

Jamil Ahmad.
14, Charminster Avenue, SW19.

Sympathies

From Mr. R. W. Puzyna

Sir,—Having noticed the heading of Lombard's "Letter to a Friend in Eastern Europe" (Jan. 2) I started reading it expecting some kind of apologia for the difference in the West's reaction to invasion of Afghanistan as compared to its response to invasions of Czechoslovakia or Hungary (both sanctified by the Yalta agreement). Having read the letter my first reaction was that of amazement:— what colossal arrogance!

The population of Eastern Europe can roughly be divided into three groups:

Group I (the smallest)—believes that their future lies with the Soviet Union and, by definition, is anti-Western.

Group II—while covering all shades of political left, it is nevertheless nationalistic and anti-Soviet. This group dislikes the West for being Capitalist and also for selling Eastern Europe to Russia at Yalta.

Group III (the largest and most representative)—is anti-communist and anti-Soviet, has pro-Western sympathies, but is deeply resentful of the Yalta betrayal and the resultant present status of Eastern Europe. Additional reasons for resentment against the West is caused by the attitude of UK and U.S. (not France) over ratification of the present borders with Germany.

I wonder which group Mr. Rutherford had in mind when writing his letter? It may have escaped his notice, but Eastern Europe was hurt more by the Soviet invasion of Czechoslovakia than by the Soviet invasion of Afghanistan. I sincerely hope that in a year's time Mr. Rutherford is not going to write an equally silly letter to his friends in Afghanistan, telling them that Soviet invasion of the Persian Gulf will hurt Afghanistan more than it will hurt anybody else and that they should tell the Russians not to be beastly to the Saudis!

R. W. Puzyna
50 Rogers Lane,
Stoke Poges, Bucks.

Percentages

From Mr. Patrick Mills.

Sir,—There is an increasing tendency to express such information as price increase factors in percentage terms, which is quite unnecessarily complicated and confusing. Instead of saying that an article's price is 2.75 times more expensive, it is said (or should be said) to be 175 per cent more expensive. Interpretation involves adding one hundred and dividing by one hundred—why not just say by 2.75?

The degree of confusion is due to the common assumption that an increase of 275 per cent is the same as by 2.75. Even your Motoring Correspondent on December 29th made this mistake with all four percentage increases quoted for various cars over the past ten years, e.g., Rolls-Royce Silver Shadow, £7,959 in 1969, "has gone up by only 460 per cent to £36,652," whereas the increase was in fact "only" 360 per cent.

Patrick Mills,
11, Hillbury Close,
Warlingham, Surrey.

Bikes on trains

From Mr. M. J. Taylor

Sir,—I refer to the letter from British Rail's passenger manager (December 29) which sought to justify the ban on cycle conveyance at peak times on commuter trains.

The three reasons given seem purely matters of courtesy and co-operation. This Beecham move seems inappropriate without having first made an attempt to alleviate the problems outlined. A ban on cycling on platforms enforced with fines and a ramp to wheel the bicycle from the platform to the train would solve the practical problems. As for the conflict between cyclists and passengers at barriers—in my experience this has never been any more than between passengers and passengers with baggage. If one is going to ban passengers with cycles, it might also be consistent to ban passengers with baggage.

The banning of cyclists on commuter trains totally ignores the macro economic effect of having extra buses and tubes in Central London. And which method of transport gives a beter quality of life?

M. J. Taylor.
62 Foundling Court,
Brunswick Centre,
Marchmont Street, WC1.

BL and BSC

From Mr. Edwin Whiting

Sir,—It is interesting to compare the situations of BL and BSC.

Both suffer from low productivity by international standards, keen foreign competition, loss of market share, overcapacity and old plants no longer economic to run. Both in recent years have made substantial net losses and both rely on Government finance for survival.

One would think, then, that the treatment of each would be similar. In fact, it is very different largely because BL is formally a public limited company (with 1 per cent of its shares owned by the public) and BSC is a nationalised corporation under special Acts of Parliament.

Because of this formal structure BSC is precluded from using the trick available to BL of "converting" loans into equity capital and thereby reducing its interest charge.

This trick was first done for BL in 1978 when the NEB subscribed £449m to a "rights issue" of BL shares at par. About half the cash was used to pay off short-term borrowings, resulting in a reduction of annual interest payable, at current rates, of about £40m. (The cost of this exercise to BL was £5m.)

According to the latest statement by Sir Keith Joseph ("Government approves £430m Edwardes plan"—December 21) a similar deception is to be perpetrated again. This time a loan from the NEB of £150m is to be converted, presumably by another "rights issue," to equity capital, freeing BL from another £22m of interest and also from the obligation to repay the loan by a sinking fund over the years 1982 to 1997.

If BSC were allowed by its structure to do this kind of thing, its loss for 1978-79, put on a comparable basis to BL for 1978, would be as follows (in £ millions):

Loss for year per accounts	309
Less: Interest payable to Government	102
	207
Less: Loss due to transport strike	50
	157
Less: Extra cost of coking coal compulsorily purchased from NCB	30
Comparable net loss	127

BL's net loss on a similar basis, for the year 1978, would appear to be around £6m, but unfortunately the standard of disclosure in BL's accounts is not as good as that of BSC.

BSC publishes a current cost accounting statement; BL does not. BSC publishes the data from which a value added statement can be produced; BL does not.

However, it is possible to make some estimate of BL's value added; using certain assumptions I arrive at gross value added per employee (before depreciation) of £5,700. BSC's gross value added per employee in 1978-79 was £5,984, but, if it could be excused the extra costs of the transport strike and coking coal from NCB of £80m. (BL suffered no similar disabilities), its value added per employee would be £6,405. On this showing, Government finance would be better used to keep people employed in BSC rather than BL.

On the face of it there seems to be no reason why BSC should not have "equity capital" to tide it over a difficult period in the same way as BL. Neither corporation could raise true equity capital, and in neither case could there be the prospect of a dividend for many years. Both corporations depend heavily on the motor car market for their sales. Is there any reason to rate BL higher than BSC? Is not a shortage of steel in 1984-85 more likely than a shortage of motor cars?

In treating the two corporations so differently, Sir Keith Joseph may have mistaken the forms for the substance.

Edwin Whiting,
Lecturer in Management Control,
Manchester Business School,
Booth Street West, Manchester.

Anti-indexation

From Mr. Eric Chalmers

Sir,—Those who dislike inflation must be against indexation. The more people you artificially protect from the consequences of inflation the less pressure of opinion is there on politicians to do something about it. In any case not everyone can be given indexation cover—for example, past savers and those on private sector fixed pensions. As a result, you create two societies—those who are protected and those who are not. What kind of social justice is this? It is better therefore to concentrate on fighting inflation than to spend time devising and advocating schemes for indexation. The Government should be encouraged, not criticised, in the assault it is about to make on indexation.

Eric Chalmers.
4b, Alwyne Road,
Canonbury, N1.

The steel test for the Government

By ALAN PIKE, Labour Correspondent

HUDDLED FOR warmth around their little braziers, the pickets outside the steelworks which dominate Sheffield and Rotherham could be ghosts from the firemen's strike of two cold winters ago.

The braziers became a familiar sight outside fire stations throughout the country. This week they were on view again as the steelworkers embarked upon another dispute where the bitterness is not going to be confined to the weather.

There are other similarities between the two strikes. Both groups are novices to the field of national industrial action motivated, certainly in their own eyes, by principle rather than pragmatism. Men starting a major strike for the first time in their lives are unlikely to choose their moment with the tactical precision of those for whom the strike is a more commonplace weapon. The firemen took on a Labour Government at the very point that it was most determined to defend its 10 per cent pay policy; the steelworkers face a bankrupt public-sector employer and a non-interventionist Government which they know is highly unlikely to raise the British Steel Corporation's subsidy.

When the strike started on Wednesday all full-time officials of the Iron and Steel Trades Confederation stopped drawing their salaries and began paying the money into a hardship fund for strikers. If the strike is prolonged, 30 officials' pay packets will have as little impact on hardship as a cupful of water would have on a blastfurnace. But as a gesture it is illuminating. This is the ISTC's first national strike for more than 50 years and the full-time officials decided unanimously that they should take a full and equal share in their members' losses.

The ISTC—and the smaller National Union of Blastfurnacemen which has joined it on official strike—are unions of impeccable moderation. Their leaders frequently stress that they appreciate the world problems which the steel industry is facing, and they have co-operated in the British Steel Corporation's rationalisation plans which have meant thousands of redundancies for their members.

So fabled is the reputation for moderation of the ISTC, the biggest and most dominant union in the industry, that when the strike threat was first made many thought it scarcely possible that it would happen. Now that it has, the inexperience of the strikers is likely to be a factor which will actually make a solution more difficult to achieve. As the firemen demonstrated, inexperienced strikers who are convinced that they have justice on their side cannot be persuaded easily to cut their losses—the firemen were so committed to their cause that they did not recognise a valuable settlement when it was first offered.

Martyrdom

The men on the picket line at the Yorkshire steelworks this week had no illusions about the size of the task facing them. They know there is now a Government in power which they cannot expect to bail them out. They know that BSC wants to shed at least 52,000 manual jobs — over one-third of the industry's remaining workforce —by August. The Yorkshire area has been more immune than most to plant closures— men in some other parts of the country are on strike for a rise which they will never receive because they face imminent redundancy. But the strikers admit that a long stoppage could lead to the corporation cutting even more capacity and jobs. A strike in such circumstances might appear to some outsiders to be a recipe for suicide, but this week the men were in a mood where they would regard it as martyrdom.

In spite of the Government's and steel corporation's efforts to convince the steelworkers that they must accept the economic realities of their industry, the action demonstrates that the idea of a rough-and-ready public sector going rate for wage settlements is not going to die easily. In Yorkshire the steel workers live and work among miners. Strike headquarters are being set up in miners' clubs. The miners, as steelworkers frequently point out, got 20 per cent.

"We know the arguments about the relative importance of energy and steel at the moment," says Mr. Joe Pickles, ISTC divisional organiser based in Rotherham. "But it isn't only the miners. Local authority workers are getting around 13-15 per cent. Steelworkers will have to pay the increases in rates which will result—they simply cannot afford to take the cut in their standard of living which the corporation's offer would mean."

The size of the corporation's offer—consolidation of former incomes policy supplements worth 2 per cent into basic pay and a further self-financed 4 per cent, plus local productivity schemes—is not the only cause of anger. Union leaders and strikers are equally bitter about the conditions which the corporation is seeking in return for its offer.

Beyond the consolidation of supplements, which is worth an increase of 78p per week to a man earning £50 and £3.95 to one earning £150, the BSC offer falls into two parts: 4 per cent at national level and the possibility of further local payments.

Hugh Routledge

Pickets of the ISTC outside Consett Steel Works trying to pursuade a member of another union not to enter.

Union negotiators were furious at the range of concessions which, they learned before talks broke down last week, the corporation was seeking in order to finance the 4 per cent element. Mr. Bill Sirs, general secretary of the ISTC, says that these included agreement to thin-out plants not scheduled for closure by about 12,000 men as part of the total 52,000 redundancy programme; reductions in overtime and absenteeism; more flexible working practices; changes in wage structure and possible amendment to the industry's guaranteed week pay agreement at local level.

Mr. Sirs remarks bitterly that there are single items in the list which would cost the employer a great deal of money in most other industries. He contrasts the corporation's demand for a reduction in absenteeism as part of its 4 per cent package with the Ford Motor Company's attendance payments to encourage employees to report for work.

Perhaps even more controversial is the corporation's proposal for further payments at local level. At first BSC said that up to 10 per cent extra might be attainable through these schemes, and now it says their potential is unlimited. Although they have been referred to as productivity schemes, more precisely, they are plans for a quarterly lump sum bonus, based upon improved added value performance at divisional or plant level.

The strikers are deeply suspicious that they they might fail to gain anything from such schemes because of factors outside their control. "Politicians have spoken about 10 per cent productivity money being available," says Mr. Pickles. "But it isn't like that. We would have to make all the concessions BSC is demanding: then the price of scrap could rise, profitability would be affected, and we would get nothing."

The productivity argument is a running sore in BSC. According to the corporation the British steelworker's productivity is disturbingly lower than that of his European counterparts. Union leaders say this presents a false impression because continental productivity figures do not include non-productive groups. "If like is compared with like, the UK productivity figure is 192 tonnes per man week against the German 200," said Mr. Sirs this week.

In the best traditions of calculating how many angels can stand on the head of a pin, the corporation and unions could probably argue this point for ever without reaching agreement.

But it goes to the heart of the present dispute. The steelworkers believe that they have made much greater concessions than men in other industries to improve their productivity. Mr. Pickles, for instance, says that in his Sheffield-Scunthorpe division 2,500 jobs have gone since a productivity agreement between BSC and the ISTC in 1976.

But, because of conditions in the steel industry, the improvements in pay which workers expect to accompany greater productivity have not materialised. Instead, says Mr. Sirs, steel workers have in recent years slipped from third to 18th in the pay league, and would drop to 30th if they accepted BSC's offer. It is for this reason that the moderate Mr. Sirs says that "the steelworkers have been cheated" and his members are on strike.

But where will the strike go from here? Mr. Sirs still cherishes the hope that there can be a quick solution before unnecessary damage is done to the industry, and he has already made tentative approaches to the corporation to resume negotiations. But he knows that the longer the action lasts the more angry his members will become.

At present the union is exerting its energies to keep the private steel sector, with which it has no quarrel, working normally — at Sheffield some private men walked out in support of their BSC colleagues and were told to return. But it is likely to take weeks before the full impact of the dispute begins to show on BSC's customers, and as the impatience of the strikers grows there is no guarantee that union leaders will be able to restrain pickets who believe a total shutdown of steel production may be the quickest route to a solution.

The steel strike is already a test of the Government's economic policies in the public sector which is being watched — and supported — by groups far beyond the workers directly involved. If picketing becomes a major element in a long steel strike it will also radically affect the atmosphere in which the Government's Employment Bill — which will impose restrictions on picketing — passes through Parliament this winter.

So, like the firemen, the steel workers have been plunged into a dispute which raises implications considerably beyond the industrial issues that led them into the fight. The longer it lasts, the more the wider issues will predominate — and the more difficult it will become to settle the dispute with a new offer which brings the steelworkers somewhat closer to their demand for compensation against the current rate of inflation. This is why Mr. Sirs wants to reopen negotiations soon. If it is left to time alone to persuade the steelworkers to give up what is in many ways an unenviable battle, it is likely to be, as Mr. Sirs has said, a long, hard winter.

Weekend Brief

London's underground minstrels

One of the few perceivable advantages in paying that extra franc and travelling first class on the Paris Metro is that you are always first to get the buskers. French buskers aren't stupid—they know that anyone who is prepared to pay another franc to sit in the same seat one carriage further up the train is probably also going to have the odd centime on hand to pop into the proferred casquette of the buskers' mate. Certainly travelling first class around the Paris underground this wek one couldn't help but notice just how well the buskers and their mates seemed to be doing.

Busking is, of course, legal on the Paris metro system. If you have the urge to earn a bit on the side by playing your flute/trumpet/violin/accordion / guitar for the edification and/or entertainment of your fellow passengers all you have to do, it seems, is apply to the offices of the RATP, which operates the Metro, and they will issue you the necessary licence. Whether the good officers of the RATP will test your ability to play your chosen instrument is not quite clear, but it could indeed be so because the quality of the metro musicianship this week at least, was surprisingly high.

It certainly added a certain *je ne sais quoi* to the ride from Place de la Concorde down to Les Halles, and one couldn't help think that the slog along the District line from Sloane Square to Mansion House would be much enlivened by a similar infusion of gallic charm in the form of these strolling underground minstrels.

No, don't snort, toss your paper down on the breakfast table and humph that these fellows at London Transport will never allow it on our trains — because they have actually decided that they will — if only someone will tell them how to go about it. In a complete U-turn, the executive committee of London Transport has officially announced that it would welcome suggestions on how it could make busking legal on the London underground stations.

"At the moment busking is, of course, prohibited on the underground, and we prosecute all persistent offenders," said LT spokesman David Hales, "but the executive committee has decided that if anyone can come up with a viable operating plan, we are prepared to make busking legal. Obviously we will need some form of control — we couldn't just go ahead, take down the "no busking" signs and let anyone busk. I mean, some of them are pretty awful, and that would mean that the standard could get a lot worse. But more important, we would want to control the numbers — even one busker in a narrow access tunnel creates an obstacle. Any stationary object contra to the flow of traffic is an impediment and that is what we are trying to avoid with the current laws. What we are really looking for is a way of controlling their areas of operation, in particular confining them to wider spaces, where people don't actually have to step over them to get past. Our research has shown that many people don't like having to pass by a busker if they don't want to give him any money. They say they find it quite embarrassing."

But informal research has also revealed that those who find the LT's illegal underground musicians an embarrassment they could travel without are in a minority—most London commuters, it seems, would rather busking was legalised. And, as a committed believer in the commercial maxim that the customer is always right London Transport is prepared to do something about it.

"The only problem is we're not sure what. Some countries issue busker licences for various spots on the station premises— that system is apparently already operating here illegally with the buskers themselves deciding who will work which spot when—but we can't see it working here. We would want to issue licenses for areas other than the most crowded and congested passages and platforms at rush hours, but those are the very places that the buskers like best. We would welcome any suggestions."

Mr. Feng grows rich and buys a TV set

To dare to be rich is not something being frowned on in China these days. In another of the convulsions shaking the foundations of Maoist dogma, people are being encouraged to earn extra money from their own enterprises.

Yesterday's capitalist roader, it appears, is today's man to emulate. Take the case of Feng Ruying, described in the Peking Daily as a commune worker. According to the paper, Mr. Feng, through hard work on a collective farm and through the sale of pigs, managed the purchase of a television set.

He had done this, the paper reported, while supporting a large family and under criticism from party dogmatists because of his entrepreneurial activities. Mr. Feng's success has encouraged all the people of his village, the paper said.

The point about the story, of course, is to encourage people to boost production, whether for themselves or the State and the more relaxed attitude to private endeavour has resulted in the rapid growth of small enterprises in China's major cities.

One of the more lively places in Peking these days is a small bird market which has sprung up on the city's west side. It is just one of a dozen markets now brightening the capital's drab suburbs. Market vendors sell all manner of things including vegetables, poultry and handicrafts.

In Shanghai there are similar scenes, with brisk trading in goods ranging from plaster of paris figures to freshwater crabs.

The Chinese, given the chance, are enthusiastic traders. For the authorities there is some risk allowing a small free market to operate next to the State monopoly, but China's economic masters have clearly reckoned that a successful mix can be achieved.

They have probably reasoned that a little market socialism, as the Americans call it, can help increase price competition and provide some badly-needed employment opportunities. The problem for the authorities, however, has been to give what some party purists would regard as a slander a suitable ideological veneer.

The Communist Party newspaper, the People's Daily, appears to have enthusiastically endorsed the dare-to-be-rich campaign and recently republished an editorial from a provincial newspaper which seeks to answer the party critics. "The objective of proletarian revolution is to politically become master in one's own house and economically to transform poverty into wealth," the editorial states. "If socialism doesn't bring wealth to the people, then why are we carrying out socialism?"

"As collective economy develops, individual incomes should increase: in the end the reason for enriching the collective is to enrich every single member of the collective.

"At the same time as the collective economy is developed," the paper says, "commune members should be allowed to get rich through developing side-line occupations."

The People's Daily, in the same edition, carried a rather blunt speech from a party secretary in Liaoning Province who sounded more like a populist labour politician than a party boss.

"Socialism does not want people to be poor, it wants them to be rich, it wants to allow labouring people full, rich and abundant lives," he said.

"It is not enough to solve the question of daring to get rich, masses should be mobilised to fully discuss the question of how to get rich."

Of course, there is rich and rich. For the average Chinese worker on minuscule wages ($300-$400 a year) the efforts necessary to afford a television set are rather greater than those required in a Western household.

The gold rush all over again

AT the mouth of the Old White Beare Mine in California's Mother Lodge Country, prospector John Chakarun has posted a sign: "Thieves will be shot on sight." Two loaded revolvers are at hand to give the threat weight.

Four years ago, Mr. Chakarun, 35, a geologist with a university degree, bought the fabled mine, which in the 1910s produced some $20m worth of gold. Now, as gold prices soar over the $600 an oz mark, he is at work with two partners and some sophisticated modern equipment clearing cave-ins that block the shaft.

Chakarun is convinced that the old-timers, with their antique tools, merely scratched the surface. "There's a multi-million dollar bonanza in there," he says. "We could be producing in six months."

He is one of the thousands joining the west's new gold rush. From the Mother Lode—a 300-mile long, 50-mile wide gold field in the Sierras east of Sacramento — to Colorado's Cripple Creek, old claims are being explored, abandoned dumps reworked, old maps reprinted in a scramble for the noble metal. Some of the nation's largest corporations are investing substantial sums in the hunt.

Placer Service Corp, a subsidiary of the big St. Joseph Mineral Corp of New York, has begun exploratory drilling of a six-mile long gravel vein that it believes contains 4m ounces of gold worth around $2bn. Residents of San Juan Ridge, at the northern end of the Mother Lode, are fighting in the courts to keep Placer out.

Near Angel's Camp, in the Sierras, Miller Mining Co. is spending $3m to reopen a mine which, it is claimed, could produce $300m worth of flakes and nuggets at today's prices.

By the end of this month the largest mine tunnel in California will have been gouged and cleared, and gold production, Miller says, will begin.

At nearby West Point, Canadian interests have spent more than $2m into reviving the old Blazing Star mine. Not far from the township of Copperopolis, a San Francisco based group says production will soon be renewed at the old Royal mine.

California's mining revival forges ahead in spite of scepticism from some leading geologists, who insist that the Mother Lode is largely "mined out." Even the state is in on the act—authorities are suing Yuba Goldfields for rights to a traditionally gold-rich stretch of the Yuba River, to which the mining company lays claim.

Across the border, in Nevada, the hills holding the Comstock Lode are alive with the sound of drilling. Since the price of gold was pegged at $35 per oz in 1934, Virginia City, Nevada, has been a virtual ghost town— one of 575 in the State.

Today it is buzzing with new life and money, as Houston Oil and Minerals operates a new open-pit mine, removing 1,500 tons of rock a day. The rock is ground at a mill which opened last November.

It is one of 20 new mines to open recently in Nevada, Governor Robert List says. Another 15 are in the planning stage. For the first time in 50 years, gold has become the state's leading mineral commodity. Thanks to a major gold discovery in Elko County, experts believe Nevada will soon become America's top gold state.

Experts agree that only about 10 per cent of the gold in California and Nevada has been removed. The Bureau of Mines surveyed one Mother Lode county some years ago and estimated that $5bn in gold remains in the hills.

But the problem is still finding it and extracting it. Today's more sophisticated means— from U2 plane surveillance to $300,000 diesel operated hydraulic mechanical miners— make the task easier.

From California's Mother Lode alone last year well over 100,000 oz were panned, dredged and mined, according to Mr. George Massie, head of the 52,000-member Gold Prospectors Association of America. More than three times that amount was produced in Nevada. Massie's estimate—given prospectors' unwillingness to discuss their finds—is considered conservative. Some experts put the figure twice as high.

Contributors:
Robyn Wilson
Tony Walker
Maurice Irvine

Economic Diary

TOMORROW: Second and final day of Indian general election.

MONDAY: Department of Industry publishes December provisional wholesale price index numbers. Lord Carrington, Foreign Secretary, on tour of countries bordering Afghanistan. Sir Ian Gilmour, Lord Privy Seal, starts tour of European capitals to seek support for a reduction in Britain's contribution to the EEC budget. Constitutional talks open on Ulster's future at Stormont Castle. European Central Bankers' meeting opens at Basle. Dr. J. Gibson, National Coal Board member for science, speaks at Coal Industry Society lunch, Hyde Park Hotel, London. Iron and Steel Trades Confederation and Blastfurnacemen's Union executives meet.

TUESDAY: Department of Trade publishes November final figures of retail sales; and hire purchase and other instalment credit business for November. London clearing banks' monthly statement for mid-December. Bank of England releases UK banks' eligible liabilities, reserve assets, reserve ratios and special deposits for mid-December. Final day of BIS meeting, Basle.

WEDNESDAY: Mrs. Margaret Thatcher speaks at meeting of National Economic Development Council. Financial Times conference on "Problems in Accounting" opens at Inter-Continental Hotel, London, W1. Statements from Sir Keith Joseph, Industry Secretary, and Sir Monty Finniston, on publication of the Finniston Report on the engineering profession. Transport and General Workers Union finance and general purposes committee meets.

THURSDAY: Treasury releases Central Government transactions (including borrowing requirement) for December. Department of Industry publishes December provisional figures of vehicle production. Final day of Financial Times conference on "Problems in Accounting." British Sugar Corporation annual meeting, London. The 48 Group of British Traders with China annual meeting, London.

FRIDAY: Central Statistical Office gives third quarter figures for personal income, expenditure and saving, and company profits. Housing starts and completions for November from Department of the Environment. Usable steel production for December from BSC/BISPA. Building societies' monthly figures for December. Department of Industry third quarter final figures for finished steel consumption and stock changes.

BIDS AND DEALS

Booker pays £16m for Kearley and Tonge

Booker McConnell, the international food, engineering and trading group, is paying a total of £16m for Kearley and Tonge, the loss making food wholesaling side of International Stores, which is controlled by BAT Industries.

Booker and BATS, which have been talking about the sale for a month, have agreed that Booker should pay £10m cash and in addition pick up a £6m interest bill incurred by Kearley in the 15 months ended December 29.

Kearley has an annual turnover of £150m and in the 12 months to September 29, 1979, made a trading loss of £2.2m. The loss, which was struck before charging the £6m interest on borrowings at December 29, was after providing £1.1m mainly resulting from the closure of loss making units. In its statement yesterday Booker confidently asserted that Kearley would "be restored to profitability in 1980 and would therefore make a contribution to group profit in the first year of ownership."

Kearley, which will be absorbed into Booker Belmont Wholesale divisoon, will bring in an additional 41 cash and carry warehouses, lifting the group total to 109. On the delivered catering supply side, Kearley has ten depots, giving a group total of 48.

Booker explained that the combination of Kearley with Booker Belmont would mean that material savings could be made in central administrative costs and as a result of rationalisation. Benefits would also arise from improved buying terms. The annual turnover of Booker Belmont wholesale is around £340m and it has 4,300 employees. Kearley employs 1,800.

LAW LAND PAYING £185,000 FOR REST OF COURTENAY

Law Land has reached agreement to buy the outstanding balance of 20,566 £1 ordinary shares in Courtenay Building that it does not already hold, for £185,243.

Payment is to be made by way of an allotment of 257,737 Law Land ordinary and £7.404 cash.

The business of Courtenay is building and contracting, principally in Central London. Law Land is one of its major customers and already holds 19,434 of its ordinary shares.

CROSBY HOUSE SELLS INSTONE

Crosby House Group has completed the sale of its travel agency, Instone Travel Services. Instone has incurred considerable losses in previous years but the impact of the sale on the results of Crosby will be insignificant.

TERRA NOVA INS. INTERCONTINENTAL

The merger of Terra Nova Insurance Company and Intercontinental Reinsurance Company has been completed.

Terra Nova has acquired Intercontinental Reinsurance from its existing shareholders in exchange for an issue of ordinary shares in Terra Nova credited as fully paid. Intercontinental Reinsurance is therefore now a wholly-owned subsidiary of Terra Nova.

As part of the merger arrangements, Terra Nova ceased to be a wholly-owned subsidiary of C. T. Bowring and Co. on December 31. But Bowring Group continues to hold an interest in the company.

At September 30, 1979, the consolidated total assets of the enlarged Terra Nova exceeds £100m, and the consolidated net asset value would have been about £25m.

BROWN SHIPLEY PURCHASE

Brown Shipley, one of the smaller London accepting houses, has acquired a 20 per cent stake in the DIBEAG Banking Corporation of Panama for a maximum consideration of around £700,000 ($1.56m).

LIBEAG is primarily involved in the finance of trade in Latin America. Brown Shipley yesterday described the acquisition "as a very exciting development" which should enhance its banking activities.

NBDC SELLS ITS IRISH ASSOCIATE

Northern Bank Development Corporation, part of the Midland Bank group, has disposed of its 21.34 per cent shareholding in Ewart New Northern, the Belfast-based commercial and industrial property developer.

A spokesman for NBDC said yesterday that an "attractive offer" was received for the 138,422 shareholding and the sale was made above the market price. The shares were last dealt in at 83p on October 10, 1979.

Tyco raises Muirhead stake but denies bid intention

Tyco Laboratories of the U.S. has stepped up its stake in Muirhead and now owns 14.1 per cent of the British electrical and electronics concern, but asserts that it still has no intention of bidding for eventual control.

Muirhead's shares gained 6p yesterday to 266p on the news of Tyco's purchase of a further 83,000 shares, which brought its total up to 1.19m. Tyco, which buys Muirhead process equipment for its wire operations, first took a 9.7 per cent holding last October.

"This is purely an investment," commented Mr. Edward Johnson, treasurer of Tyco, yesterday. "We have no intention of going past that stage."

So far, there have been no formal talks between the two companies. "We hardly know them," said Mr. Donald Buchanan, a director of Muirhead.

Another major shareholder in Muirhead, which has postponed its annual results until the end of this month because of a fire at a major sub-contractor in Madeira, is the Kuwait Investment Office with 8.4 per cent. Sir Raymond Brown, the chairman, holds 5.4 per cent.

Muirhead's pre-tax profits went up from £1.6m to £2.14m in the financial year to September 30, 1978. At yesterday's closing share price, the group has a market capitalisation of £22.3m.

SEKERS/D. EVANS

The offer by Sekers International for the 750,000 ordinary £1 shares of David Evans has been accepted by holders of all the issued share capital.

Sekers held no shares in David Evans prior to the announcement of the offer on November 8, nor has it acquired any Evans' shares during the offer period.

The offer has now become unconditional in all respects.

W. L. PAWSON

The directors of W. L. Pawson and Sons have announced that contracts have been exchanged for the sale of three freehold properties owned by subsidiary companies, for a total of £786,500. The proceeds been used to reduce group borrowings.

TELBEDDE AND PANATLAS

Following authorisation by shareholders of Telbedde Ragalla Investments for the purchase of Panatlas Leisure the vendors of Panatlas, Mr. A. H. Plaskow and Mr. M. Margo, have made an unconditional 20p cash offer for Telbedde.

The offer is made under Rule 34 of the Takeover Code and arises because the Panatlas purchase, being for shares, resulted in Mr. Plaskow and Mr. Margo acquiring 70.8 per cent of Telbedde.

The offer price is "substantially below the latest recorded prices" for Telbedde which is traded as an unquoted company on the 163(2) market, Mr. J. M. Laurie, Telbedde's chairman, reminds shareholders.

The board is therefore not accepting the offer and advises shareholders that they may be able to receive a higher price for their shares by selling on the 163(2) market.

Nevertheless, the directors say that Panatlas's offer is fair given that the alternative would have been voluntary liquidation of Telbedde, which was likely to have raised only 18p per share, and then only after two years' negotiations.

Telbedde is to change its name to Pan Atlas Holdings.

The cash offer is open only until January 24.

BESTOBELL

Bestobell, the engineering group, has acquired the Condition Monitoring business of Servodyne Controls, Stockton-on-Tees.

The acquisition is designed to assist Bestobell expand its interests in the international market for plant and equipment monitoring systems. The products involved facilitate early detection of symptoms leading to potential machine failure and include vibration measurement systems and centrifuge out-of-balance monitors.

FMC COMPLETES

FMC has completed the sale of its pig development unit at Calne, Wiltshire to Northern Pig Development for £390,000.

The sale includes the land, buildings, equipment and stocks of this unit, including a small parcel of land and buildings at Northallerton, Yorkshire.

The sale is in accordance with FMC's policy of rationalisation of resources into its mainstream businesses.

NO PROBE

The proposed merger between Gripperrods Holdings and Roberts Smoothedge is not being referred to the Monopolies Commission.

Institutions put pressure on N. Sea Assets

BY CHRISTINE MOIR

INSTITUTIONAL SHAREHOLDERS continue to press ahead with their efforts to exert control over the board of North Sea Assets, the investment vehicle set up in 1972 to take advantages or opportunities in the North Sea gas and oil industry.

For more than a year the institutions have been unhappy with the performance of the company, which is managed by Ivory and Sime. The shares were issued in 1972 at £20, but net tangible assets had declined to £15 per share by the year to the end of last September, and the prospects are for further decline.

Now, following a series of private meetings with the board, institutions are still unsatisfied. They have called for a formal meeting early this year. If this does not produce agreement, then the institutions are likely to requisition a special meeting of the company at which they will seek to vote out the board.

The dissatisfaction of shareholders flared into the open at the annual meeting just before Christmas when Mr. Ken ae, as spokesman for the institutional shareholders' steering committee, read out a prepared list of demands.

The institutions want a two-year moratorium on new investment followed by a review of the company's future. They are worried that the company's remaining cash is being spent on new investments, frequently outside the North Sea, reducing the amount available for developing existing interests.

While the moratorium holds they want the board, augmented by more non-executive directors including their own representative, to concentrate on developing the existing assets to the point where they can be sold.

Early last year North Sea Assets applied for a listing on the Stock Exchange but was refused on the basis that its underlying investment assets were too immature.

Mr. Garth Ramsay, a director of Ivory and Sime, admits that the performance of North Sea's assets to date has proved disappointing. They were initially bought in the belief that they would reach maturity within five to six years but now look more likely to take nine or ten years to mature.

During the annual meeting the board said that it would be happy to have a meeting with the steering committee, but nonetheless the institutions called for a vote over the issue of directors' remmeration.

The resolution, proposing an increase in aggregate fees to £30,000, was narrowly passed with 28.5 per cent of shareholders voting for the resolution and 22.6 per cent against. Proxies for 4.06 per cent of shares, thought to have been largely against the resolution, were ruled to be invalid.

The institutions are also unhappy about management charges which amounted to £340,000 last year. Until January there were two groups of managers, but at that point Noble Grossart retired as joint managers and received £100,000 compensation, equivalent to a year's fees.

Ivory and Sime's fees are based on 2-3 per cent of gross assets, and Mr. Ramsay points out that this means management charges are likely to be below £200,000 this year, particularly as certain borrowings are being repaid.

However, the institutions are still alarmed that, over the life of the company, management fees have amounted to nearly £2m while dividend payments have totalled only £600,000.

Hammerson acceptances

The £35m two-for-five rights issue by Hammerson Property and Investment Trust to finance its recent acquisition of Reunion Properties has been taken up by holders of 98.1 per cent of the "A" shares and 98.8 per cent of the ordinary.

The remaining 98,000 "A" shares and 16,000 ordinary have been placed in the market by Kleinwort Benson, the advising bank, for over 700p average compared with the issue price of 560p. The premium will be distributed among shareholders.

In the market, Hammerson's shares closed 20p up at 715p.

Paradise first half loss, but 'improving

LOSSES of B. Paradise, clothing manufacturer and distributor, deepened from £48,000 to £174,000 in the six months to July 31, 1979, with turnover slipping from £1.1m to £967,000.

However, the result is an improvement over last year's second half deficit of £269,000, and the directors state that profitability has improved.

They add that reorganisation of the company is continuing, and Mr. A. A. Davis, a senior partner in a leading firm of chartered accountants who has been advising the board, has accepted the position of chairman.

The dividend is again omitted—the last payment was an interim of 1.05p in 1976-77.

There is no tax charge and losses per 10p share are shown as 13.9p.

In his year-end statement, Mr. G. Paradise, the then chairman, cited three reasons for the 12 months loss of £316,969: increases in raw material prices, the loss of a major customer, and unseasonably mild weather.

WALTON ENGNG.

We are asked to point out that there is no connection between Wilson Walton Engineering, the Middlesbrough company going into liquidation, and Walton Engineering, a private company which is based in London and makes specialist valves.

Britannia and Lloyd's Life in insurance link

Britannia Trust Management a subsidiary of Britannia Arrow, the former Slater Walker Group, is linking up with Lloyd's Life Assurance to offer insurance facilities.

Under the new arrangement Britannia's range of unit trusts will be linked to life policies written by Lloyd's Life.

The new policies will take two forms—a single premium bond and a maximum investent plan. Both types of contract will have switching facilities.

The tie-up is consistent with Lloyd's Life's philosophy of offering insurance facilities for other investent groups. Both companies will maintain their existing links with other groups.

NEW LIFE BUSINESS

Legal & General pensions show downturn in 1979

A DROP in worldwide new life and pensions annual premium business in 1979 is reported by the Legal and General Group, the second largest life company in the UK. However, single premiums were higher.

New annual premiums fell by nearly 5 per cent from £91.1m to £87.1m, while single premiums advanced by 25 per cent from £29.4m to £36.9m.

UK company pensions business of L and G, which is the largest pensions concern in the country, declined from the high levels achieved in the previous year. New annual premiums dropped by over 10 per cent, from £64.4m to £57.1m.

However, insured scheme business showed an improvement, annual premiums rising 5 per cent from £41.5m to £43.6m. The fall in pensions business occurred in managed funds, where premiums fell 40 per cent to £13.5m (£22.9m).

Mr. Ron Peet, L and G's chief executive, says this decline had been expected after the extraordinary increase in 1978 caused by the start of the new State pension schemes. The figures for the managed fund excluded the substantial transfers from insured schemes and the growth in the managed fund continued to be impressive. Total funds under management rose from £1bn to £1.28bn.

Worldwide individual new life business amounted to £27.3m against £23.9m, while single premiums doubled from £10.2m to £20.7m. Most of this growth occurred in the UK, with new annual premiums rising from £20.9m to £24.1m and single premiums from £10m to £20.5m.

Ordinary life business, including self-employed pensions, showed a 15 per cent rise in annual premiums from £15.8m to £17.5m, which Mr. Peet claims represented a healthy growth. Executive pensions business remained strong at £4.3m. The good single premium results arose from the successful launch of guaranteed growth bonds in July and over £10m were sold.

The linked-life subsidiary continued to expand. New annual premiums jumped from £790,000 to £2.25m, but single premiums declined by 13 per cent to £6.9m (£7.9m).

At the subsidiary Victory Reinsurance Group, new sums assured increased 21 per cent to £1.15bn (£952m). New annual premiums were also 21 per cent higher, at £5.2m (£4.3m). New single premiums fell from £8.6m to £6.3m.

New permanent health insurance annual premiums totalled £0.85m.

CLERICAL MEDICAL

Strong growth in new ordinary life business last year is reported by the Clerical Medical and General Life Assurance Society, with new annual premiums advancing by 22 per cent from £4.6m to £5.6m. Mortgage repayment contracts which accounted for about half this amount, remained strong, but most of the increase came from sales of traditional with-profits savings plans.

Many other broker orientated life companies have seen little or no growth in this sector.

In the pensions sector, the company held the exceptional growth achieved in 1978, with new annual premiums improving slightly from £14.4m to £14.6m. So overall new annual premiums advanced by 7 per cent from £19m to £20.2m.

Single premium business last year declined by 21 per cent from £15.3m to £12.1m, the whole of this fall coming from pensions business which dropped from £15m to £11.9m. However, sales of self-employed single premium contracts, included in this latter figure, improved marginally from £2.4m to £2.6m in a year when this sector was dull.

PHOENIX

New annual premiums on worldwide life business of the Phoenix Assurance rose by 15 per cent in 1979, from £15.2m to £17.5m, while single premiums worldwide increased by 28 per cent, from £21m to £26.9m. Sums assured reached the £2bn mark, against £1.72bn in 1978.

In the UK, new annual premiums on ordinary individual policies improved by 50 per cent to £5m. Sales of individual term assurances, providing life protection only, were buoyant, while sales of self-employed, executive and voluntary pension business showed steady growth.

New group pension scheme business in the UK held up well following the exceptional business in 1978 with the introduction of the new State pension scheme—new annual premiums totalled £6m, against £6.2m. The company recorded considerable increase in sales of company permanent health contracts.

Business of the unit-linked life subsidiary, Property Growth Assurance, remained buoyant last year. New annual premiums were 21 per cent higher at £2.9m (£2.4m) and single premiums rose by 36 per cent to £18.7m.

Record bonus rates and revised declaration basis from Royal

RECORD LEVELS of reversionary bonuses on most with-profit contracts have been declared by Royal Insurance for the two years ending December 31, 1979. And the company announces that in future, life fund valuations and bonus declarations will be made on an annual basis instead of triennially as in the past.

On all life assurances, Uniflex and LU and R contracts, the new rate is £4.50 per cent per annum of the sum assured and existing super bonuses plus a £3 per cent per annum on attaching bonuses. The old rate was £4.50 per cent plus £2.60 per cent. On Uniflex policies, the new rate is £4.30 per cent per annum compound plus an additional super bonus of £3.50 per cent per annum. For LU and R, it is £4.00 per cent and £3.00 per cent.

On personal retirement policies for the self-employed and others in non-pensionable employments, the rates for policies issued from 1971 is £4.60 per cent per annum compound plus a super bonus of £4 per cent per annum, while for pre-1971 contracts it is £4.50 per cent plus £4 per cent. On approved pension assurance policies the bonus rate is the same as 1971 and after personal pension contracts, but for non-approved, the rate is £4 per cent plus £3 per cent.

Mr. Tony Baker, the chief actuary of Royal stated that the switch to annual declerations would give policyholders the benefit of the most up-to-date valuation and declaration of surplus. In addition, Mr. Baker pointed out that the payment of a super bonus ensured that the results of good investment performances were credited to policyholders as soon as possible compared with the uncertainties of a terminal bonus. Moving to an annual basis would effectively add 25p per cent to the bonus rate on a three year basis.

There was a 5 per cent increase last year in new annual premiums from £23.3m to £25m. In the UK there was an increase in sales of mortgage repayment contracts, despite the difficulties encountered in the Building Society mortgage area. The sales were boosted by a strong demand for top-up mortgages.

The company also reports a rise in sales of executive and self-employed pension plans, which accounts for about one-third of its new business. Group pension business is reported down in 1979—the company does not include increases in premium for higher benefits from existing members as new business, unlike many life companies. Single premium business declined from £22.3m to £20.5m.

● comment

This change in valuation to an annual basis means that the profit and loss account for 1979 will receive from long-term funds three years worth of surplus effectively, instead of just one year. There is £4.3m outstanding from the end-1977 valuation and there will be the share from the end-1979 valuation. This is a once off windfall for shareholders, for subsequently, they will receive their share of an annual divisions of profits. The market feels that this windfall could be as much as £12m and Royal has the choice of using it to offset the expected underwriting losses or to pay a special dividend. In the past other insurance companies, on switching to an annual basis, have made special payments.

UK PROVIDENT

Further progress last year is reported by United Kingdom Provident, with new annual premiums up by 11 per cent from £12.9m to £14.3m and single premiums ahead by 13 per cent from £3.8m to £4.3m. New sums assured rose 11 per cent from £572m to £634m.

The company, unlike many other life businesses, had a successful year in marketing ordinary life assurance with annual premiums 43 per cent higher at £5.3m against £3.7m. Mortgage repayment contracts, which accounted for one-third of these premiums, remained steady, backed by a small involvement in top-up mortgages.

But UKP had a successful year selling straight with-profits savings contracts, backed by a new flexible plan, a successful direct mailing offer to existing policy-holders, and the payment of a Special Property Value Bonus.

In the pensions field, new annual premiums were slightly lower at £9m compared with £9.1m. There was continued growth from existing schemes for increments and additional benefits, while sales of executive pension schemes remained buoyant.

However, sales of self-employed pension schemes were disappointing, especially in the early months of the year and overall premiums from this market fell 30 per cent from £2m to £1.4m. Single premium pensions business, which accounted for most of these premiums, showed a satisfactory rise.

Dollar repayments

Two investment trusts have taken advantage of the abolition of exchange controls to partly repay U.S. loans using sterling resulting from sales of British Government securities.

Atlanta, Baltimore and Chicago Regional Investment Trust has repaid drawings of $900,000 reducing outstanding foreign currency loans at December 31, 1979, to $600,000.

West Coast and Texas Regional Investment Trust has repaid various drawings made under its multi-currency loan facility to reduce outstanding loans from $2m at June 30, 1979, to $600,000 at the year-end.

INVESTMENT CO.

Pre-tax profits of the Investment Company improved from £152,388 to £163,398 in the half-year to September 30, 1979. Tax took £56,761, against £54,943. In the last full year, taxable profits reached £366,817.

The ultimate holding company is New Centurion Trust.

CRELLON HLDGS. NAME CHANGE

Crellon Holdings has changed its name to Mainline Electronic.

OIL AND GAS NEWS

Brazil to entice oil majors

ACCORDING to Sr. Cesar Cals, Brazil's Energy Minister, the fourth round of risk contracts offered to foreign oil companies will offer more generous terms; not merely blocks but entire basins, and the chance of production-sharing with partial payment in crude, if oil is found under these contracts.

Having set a production target of 500,000 barrels a day by 1985, compared with current production of about 190,000 barrels a day, Petrobras, the Brazilian oil monopoly, is patently eager to attract greater foreign participation in the search for offshore or onshore oil in Brazil, reports Diana Smith from Brasilia.

At the same time, small and medium-sized Brazilian concerns will be encouraged to form contoria to drill for oil under the technical guidance of Petrobras.

Recently, private and state interests in Sao Paulo signed the first Brazilian risk contract with Petrobras to drill onshore in Sao Paulo.

* * *

A new oil discovery in the panhandle of Texas has been made by Woods Petroleum and Ricks Exploration.

Woods announced that the well, No 1113A in Ochiltree County, Texas, flowed oil at a rate of 2,064 barrels a day with an undetermined volume of gas.

A second well, located one mile west of the first discovery, reached a total depth of 8,950 feet and is presently flowing both the Morrow and Atoka formation through production casing.

Woods has a 31.25 per cent working interest in the discovery well and 15.625 per cent of the second test well.

Development spending on the oil and gas production system in Australia's Bass Strait will reach a record level in 1980 according to Broken Hill Proprietary and Esso Exploration and Production Australia.

The planned work will include development of new fields and facilities as well as measures to ensure continued high production from existing platforms.

About A$240m (£119m) will be spent on new construction and field development in the year with the spending funded in part from Bass Strait production profits.

New construction includes fabrication of platforms and production facilities for the Snapper, West Kingfish, Cobia and Fortescue Fields and additions to the existing seven platforms in the Strait. Other construction work will concentrate on additions to and development of facilities at other fields in the Strait.

Esso/BHP will start the A$250m development programme for the Flounder field during the year. The field is expected to start production in 1984 with peak output seen reaching more than 15,000 barrels a day.

In addition the two companies plan to continue an active exploration programme in the Bass Strait. During the second half of 1980 this will involve a new wildcat drilling cycle and at least four exploration wells are expected to be drilled by the end of the year.

RHM sees good half

HAVING STARTED the current year with profits in excess of those for the corresponding period last time, Ranks Hovis McDougall looks forward to a good first-half's trading with a considerably improved result, says Mr. Joseph Rank, the chairman, in his annual statement.

Main wage settlements within the food manufacturing, processing and marketing group are now concluded, Mr. Rank states, and the price of bread and flour have been increased sufficiently to offset the increase in wheat costs and wages.

Although results of the South African subsidiary improved in the 1978-79 year, negotiations are in hand to merge it with a local concern.

Meeting, Royal Festival Hall, January 31, noon.

Howard and Wyndham omits pref. dividend

Owing to the unsettled immediate future of the general publishing trade, the directors of Howard and Wyndham, publisher and retail jeweller, have decided not to pay a dividend this month on the 9 per cent convertible cumulative redeemable preference shares 1999 and the 9 per cent special convertible cumulative redeemable preferred shares 1999.

They say that the situation will be kept under review and, if results at the year-end so warrant, the full year dividend on these shares will then be declared.

For the year ended June 30, 1979, the company incurred a pre-tax loss of £504,770 (£314,918 profit) on sales down from £16.35m to £15.23m. Following an interim dividend of 0.335p net, no final was paid on the ordinary 20p shares.

Results due next week

Wednesday's figures from Westland are expected to show a full-year pre-tax profit of around £11m, against last year's £2.9m loss. But overhanging last year's figures was the provision of £16.2m against contract losses. Striping out the provisions, last year's pre-tax profits stand at £13.3m. The downturn reflects the continuing shortage of customers for the Lynx helicopter, though the hovercraft side has received useful recent orders.

In spite of the strength of sterling, bad weather and transport industry disputes, English China Clays is expected to make a full profits recovery in the year to September, 1979. The results are due next Thursday and analysts are forecasting at least £30m, which is £1m more than the peak year of 1976-77 and £6m more than 1977-78. The quarry and building interests should show a recovery from the first half setback while higher production will boost the clay division. A question mark hangs over whether this impetus can be sustained in view of the reported serious overcapacity in the western European paper industry and the fact that the U.S. is expected to become self-sufficient in high-quality paper.

Outside estimates are for pre-tax profits of some £9m from Sotheby Parke Bernet, when it reports full-year figures on Thursday. This indicates a second-half contribution of some £4.7m against £4.6m for the same period last year. But since last year's figure included the record-breaking £18.5m von Hirsch sale, the underlying trend is better than it appears. Strength is coming particularly from the U.S., where sales for the autumn period almost doubled last year, making it a larger market than London. One cloud on the horizon remains the lawsuit brought by British dealers against the buyers' premium. But this will not be heard until 1981.

In common with other insurance brokers, the current year outlook for Hogg Robinson Group, which is due to report interim results on Wednesday, is Analysts are forecasting about £3.5m (£3.37m) and around £9.3m (£9.21m) for the year. The acquisition of Brentnall Beard's UK interests will help to strengthen domestic operations while it is reported that overseas activities are beginning to make up lost ground. However, any gains will be largely offset by the continuing unfavourable currency movements and the setbacks in the Lloyd's underwriting agencies.

Other results to note are interims from retail jewellers H. Samuel and Ratners, and Associated Newspapers.

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
Barr (A. G.)	Monday	0.75	1.6552	—
Bond Street Fabrics	Thursday	0.75	2.18	—
Camford Engineering	Wednesday	1.48	†2.54	1.63
English China Clays	Thursday	1.925	2.0434	2.1175
Grange Trust (The)	Friday	0.86	1.54	0.95
Investors Capital Trust	Tuesday	0.7	1.3	‖1.65
Lowe (Robert H.)	Friday	0.665	1.5125	0.665
McCorquodale	Wednesday	2.3	4.048	2.64
M and G Dual Trust	Wednesday	6.0	7.1	7.0
Pleasurama	Thursday	0.75	1.65	0.825
Sidlaw Industries	Friday	1.5	5.2217	1.5
Sotheby Parke Bernet Group	Thursday	3.0	6.0	3.5
Westland Aircraft	Wednesday	—	1.0	1.0
Winterbottom Trust	Tuesday	2.0	3.6	2.3
INTERIM DIVIDENDS				
Ailsa Investment Trust	Wednesday	2.5	3.33808	
Associated Newspapers	Friday	†2.034	‡4.45	
Black (Peter) Holdings	Tuesday	1.331	2.519	
Brown and Tawse	Monday	1.3	4.5	
Centreway	Tuesday	3.371	6.628	
Daily Mail and General Trust	Friday	†5.031	‡9.368	
Heron Motor Group	Friday	0.8	0.92	
Hogg Robinson Group	Wednesday	2.7	2.24	
Hollas Group (The)	Wednesday	0.983	4.25	
Imry Property Holdings	Wednesday	1.2	4.0	
Ratners (Jewellers)	Thursday	0.55833	1.28333	
Samuel (H.)	Monday¶	0.66	‡4.54	
Stead and Simpson	Tuesday	0.7	2.05	
Symonds Engineering	Thursday	0.2125	0.5625	
Technology Investment Trust	Tuesday	1.0	2.1	
Waddington (John)	Thursday	5.0	6.88	
INTERIM FIGURES				
British Cinematograph Theatres	Wednesday			
Melody Mills	Wednesday			
Somportex Holdings	Thursday			

* Dividends shown net pence per share and adjusted for any intervening scrip issue. † Includes compensating dividend due to change in tax rate. ‡ Second interim. ‖ Includes special dividend of 0.4p. ¶ In "A" ordinary shares.

SPAIN

January 4	Price %	+ or −
Banco Bilbao	208	−4
Banco Central	230	
Banco Exterior	220	
Banco Hispano	220	
Banco Ind. Cat.	137	
Banco Madrid	175	
Banco Santander	250	
Banco Urquijo	187	−3
Banco Vizcaya	218	
Banco Zaragoza	205	
Dragados	100	
Espanola Zinc	80	
Fecsa	53.2	
Gal. Preciados	28	+1.3
Hidrola	59	−0.7
Iberduero	57.5	
Petroleos	112	−0.5
Petroliber	73	
Sogefisa	115	
Telefonica	54.5	+0.5
Union Elect.	58.2	−0.8

CONTRACTS

Hestair Dennis buses order

HESTAIR DENNIS has gained its largest UK bus order to date. The order, worth over £4m, is for 144 Dominator double deck bus chassis and the customer is South Yorkshire Passenger Transport Executive. Delivery commences during 1980.

★

THE MOSS ENGINEERING GROUP has won an export contract—a £4m order for 15 complete pumping stations. Its subsidiary Wallwin (Pumps) will supply and instal the pumping stations for the new city of Al Ain, Abu Dhabi, in the United Arab Emirates.

★

HYTRAC CONVEYORS has been awarded two contracts in the U.S. worth nearly £1m. These will be handled by Dallas-based subsidiary Hytrac Conveyors Inc. Work has started on the larger, a $1½m power-and-free overhead conveyor scheme for General Motors' site in Milwaukee, Wisconsin. The second contract, another power-and-free scheme valued at $400,000, is for the Boeing Company in Seattle, Washington.

★

GEOPROSCO INTERNATIONAL—a Trafalgar House Group company—has been awarded an extension to an oilwell workover contract worth over £800,000. The client is The Abu Dhabi Company for Onshore Oil Operations. This contract will use an H900 Dual Desert Rambler Rig, one of Geoprosco's seven oilwell drilling and work-over rigs in Abu Dhabi.

★

The Aviation Division of DUNLOP has been awarded its first major military aircraft contract in the U.S. by the McDonnell Douglas Corporation of St. Louis. The contract covers the supply of the integrated brake system for the full-scale development phase of the AV-8B—an advanced version of the Harrier VSTOL aircraft. The brake system "package" includes the main wheel, structural carbon brake, anti-skid system and brake control valve. Included in the contract are the nose and outrigger wheels. Initially, brake systems will be supplied for four prototype aircraft, and then for the main production.

★

MYSON FANS, Colchester, a Myson Group company, has obtained an order, worth £500,000, for the prime movers in the air conditioning plant of the new Phillip Morris tobacco factory at Bergon-Op-Zoom, near Eindhoven, Holland.

★

PYE BUSINESS COMMUNICATIONS, Cambridge, is to instal a £70,000 closed circuit television system in Queensgate, the regional shopping centre being built in Peterborough city centre for Peterborough Development Corporation. The system will include 26 Philips video 35 weatherproof cameras. Monitored from a central control room through four 12-inch screens, the system will provide security and surveillance facilities, including crowd control and fire service requirements.

THE WEEK'S COMPANY NEWS

Take-over bids and deals

In an understandably subdued week in the bids and deals sector, activity was confined to share stakes changing hands.

Former whiz-kid Mr. John Bentley has finally made a return to the City by acquiring a 21 per cent holding and taking over the chair of leather and tanning concern Tebbitt Group through John Baker (Insulation), of which he is a non-executive director. The stake, brought from private investment company Tiger Securities, is valued at £220,000, or 11p per share. Tiger Securities is to retain a 3 per cent holding in Tebbitt and its chief executive, Mr. Robert Knight, intends to remain on Tebbitt's board as deputy chairman.

Dr. John Blackburn, former chief executive of troubled textile group Rivington Reed has disposed of his holding of 500,000 shares in the company at an undisclosed price to Mr. Graham Ferguson Lacey's Birmingham and Midland Counties Trust, bringing the latter's holding in Reed to 28.3 per cent.

Fairey, the aviation and engineering group which was rescued in 1977 by the National Enterprise Board after the collapse of its Belgian subsidiary, is expanding back into Europe by acquiring a Dutch filter company, Arlon BV, for £0.9m.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder	Final Acc't'ce date
Prices in pence unless otherwise indicated.						
Antofag Rail.¶¶	41*	45	£36	2.63	Turismo Inmob.	10/1
Cableform	90*	89	72††	4.33	Tricentrol	—
Dawnay Day	60*	59	47	16.6	Hume Hldgs.	7/1
EMI¶¶	136½	130	95	151.6	Thorn Elect.	—
Empire Plants.	24*	24	19¼	0.80	Caparo Invs.	—
FPA Const.¶¶	13½	15	18	1.06	Heywood Williams	—
Harrott	80*	80	38	0.29	Kndy. Smale	—
Highland Distlls.	130*	141	102	79.83	Hiram Walker-Gooderham	—
Nationwide Leisure	6*§	6½	9	0.66	Rantiodge	—
Sandeman (G.)	150*	148	85	16.98	Seagram	—
Scottish Homes	48*	45	43	3.36	Barrat Dev.	—
Shakespeare (J.)	30§§	26	15½†	2.33	Wheyway Watson	—
Vita Tex	120†	117	71	4.03	British Vita	—
Wallis Fashion	35*	33	38	2.50	Sears Hldgs.	—

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Combined market capitalisation. || Date on which scheme is expected to become operative. ** Based on 4/1/80. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional.

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Electronic Rentals	Sept.	5,610	(8,710)	1.17	(1.12)
Fodens	Oct.	1,730L	(98)	—	(—)
Howden Group	Oct.	3,020	(2,870)	1.33	(1.33)
Tomkins (F.H.)	Oct.	829	(717)	0.58	(0.5)

(Figures in parentheses are for corresponding period.)

Dividends shown net except where otherwise stated.

* Adjusted for any intervening scrip issue. L Loss.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Birm'ham Pallet	Oct.	87	(278)	4.9	(12.8)	3.5	(6.25)

The Cathedral City situated in a beautiful 'Megawatt Valley'

AROUND BRITAIN

LINCOLN

BY ANTHONY MORETON

LINCOLN DESCRIBES itself as the most beautiful industrial city in Britain. It is not difficult to see why. From the top of the limestone ridge that towers over Lincolnshire, one of the most marvellous cathedrals in the country dominates a view below of pylons, power stations and engineering works in an area known locally as "megawatt valley."

The existence of a strongly entrenched pocket of engineering in the city is something of an anomaly. The city is off industry's beaten track, it does not enjoy the best of communications with the rest of the country and although it is surrounded by some of the best agricultural land in England it is not over-strong on agricultural engineering.

Nor can Lincoln trace its industrial antecedents back to the beginnings of industrialism. But for all that it has an honoured place in the record books. One of the most important innovations in modern warfare, the tank, was conceived in a room in the White Hart hotel and the first production model roled off a line in the city in 1915.

Today, the pattern of engineering is almost as diversified as anywhere in the West Midlands, with a particularly strong emphasis on automative parts. Excavators, cranes, diesel engines, hydraulic brakes, boilers, pumps, gas turbines and industrial belting are among the items produced. Next in importance to engineering are electronics and food and clothing manufacturing.

Surprisingly, too, Lincoln is dominated by big names—there are relatively few small independent firms. Among the majors are: Clayton Dewandre, (represented by AEI Semiconductors, Dorman Diesels, Napier Superchargers, English Electric Valves and Ruston Gas Turbines). Smiths Foods, Sauer, Ruston Bucyrus, Smith Clayton Forge (part of GKN) and James Dawson and Son.

Although relatively isolated from the other industrial centres Lincoln suffers from similar labour problems to those more common elsewhere, a situation not helped by its above-average unemployment. A number of firms have shed labour and more redundancies are certain in the New Year.

One firm, Clayton Dewandre, however, which faced heavy redundancies, has shown how industrial negotiations might be conducted to the benefit of everyone. In doing so it has negotiated a wage cut with its workforce a deal which must be unusual, if not unique, in British industry.

Clayton Dewandre, subsidiary of the U.S. company American Standard, makes air-braking systems for the motor industry. Caught in the inevitable wage drift which followed the introduction of the Labour Government's early attempts at a pay policy the company lost control over earnings in relation to productivity. Its problems were compounded by a low labour turnover—about 3 per cent—and strong shopfloor union power.

The management pointed out that such a situation could not continue and that the answer lay in the employees' own hands. If wages remained high in relation to productivity—earnings were about £11 a week above the national average of £125 a week—then the company's orders would have to be met from other works.

The company wanted wages to be brought into line with productivity and a cut of about 150 in its 1,550-strong workforce. In return, it offered an investment programme of £3.5m over the next three years. Without that capital spending the company would have atrophied and a question mark would have arisen over its future.

The suggestion that wages might be cut by £15 to £20 a week was, not unnaturally, overwhelmingly rejected by the employees in a ballot in October. But management, aided by the local engineering union leader, conducted a vigorous campaign of what Mr. Bert Merrix, the plant's managing director, descrbies as good communications.

Groups of 20 workers at a time were called together for a talk with a senior executive who pointed out the company's problems, the alternatives and the suggested solutions. The co-operation of the engineers' district officer, Mr. Don Gossop, was vital.

He took the view that the closure of Clayton Dewandre would be catastrophic for Lincoln and especially for young people wanting to enter the engineering industry in the area.

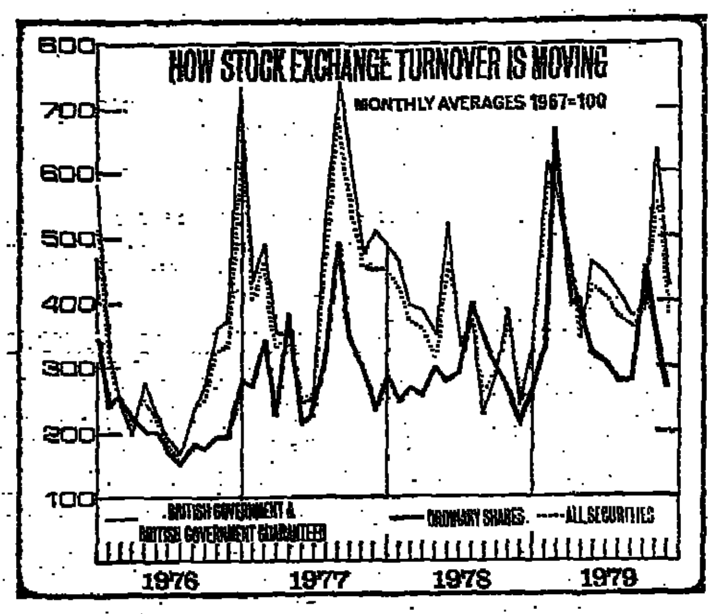
Two more ballots were held before the workforce accepted the inevitable. Mr. Merrix describes the result as the "successful culmination of a period of sustained communications between management and workers" and instances what can be done if all the facts are put to those involved.

What the city now urgently wants is better communications. It is the only city that has two level crossings in its main street; and each shuts about 60 times a day. A city by-pass is planned, but is some years from completion. To counteract this its role as a tourist centre is increasing, with it being linked on the east coast cathedral route.

STOCK EXCHANGE BUSINESS IN 1979

Gilts turnover up 23% during year

BY NIGEL SPALL



Stock Exchange turnover in 1979 improved in all sectors compared with the previous year with turnover in Gilt-edged up by 23 per cent on the 1978 figure.

During 1979, a record of £14.75bn of new Government stock was issued compared with £7.4bn in 1978 and £13.85bn in 1977. The increased turnover was recorded in a year when the key Minimum Lending Rate was hoisted to an unprecedented 17 per cent. Trade in Gilt-edged during the year rose from 1977's £104.7bn to £128.9bn. Turnover in short-dated issues, at £64.52bn, showed a near 3 per cent gain on the previous year and the number of bargains transacted in the funds as a whole was 126,771 greater at 878,829.

The Financial Times Turnover index for Government Securities in 1979 recorded a monthly average of 454.8 against the previous year's 369.2 and the 1977 record of 478.8.

Business in Ordinary shares increased by 25.5 per cent to a record £24.1bn. The number of bargains transacted in Ordinary shares during the year equalled the previous year's 4.1m compared with the peak 6.7m recorded in 1972. The average value per equity bargain during the year was £5,944.

Turnover in All Securities in 1979 rose £30.2bn, or 21.7 per cent, to £168.9bn. This was reflected in the FT Turnover index for All Securities which averaged 431.5 compared with the monthly average of 354.3 in 1978 and the 1977 record of 442.6.

December, as usual, proved to be a quiet month for trade, largely due to the fact that there were three fewer trading days than in November and because of seasonal influences.

In money terms, business in Gilts fell by nearly £5bn, or 33 per cent, to £10.0bn. Trade in the shorts decreased by £1.49bn to £3.77bn and the number of bargains in gilts fell by 34,030 to 71,542. Business in other fixed interest stocks declined by £3.47bn to £6.24bn.

The FT Turnover index for Government Securities in December was 423.9 compared with November's 26-month peak of 634.1 and the year's monthly average came to 454.8.

Business in Ordinary shares also contracted last month, falling £0.47bn to £1.49bn. The year's high of £3.74bn was recorded in March. The number of bargains transacted in equities decreased by 74,290 to 223,054.

Turnover in All Securities during December fell £5.6bn to £12.3bn.

Category	Value of all purchases and sales £m	% of total	Number of bargains	% of total	Average value per day £m	Average value per bargain £	Average no. of bargains per day
British Govt. and British Govt. Guaranteed:							
Short dated (having five years or less to run)	3,775.1	30.5	23,633	7.3	198.7	159,740	1,244
Others	6,241.4	50.5	47,909	14.8	328.5	130,276	2,522
Irish Government							
Short dated (having five years or less to run)	271.3	2.2	1,680	0.5	14.3	161,508	88
Others	224.8	1.8	3,059	0.9	11.8	73,475	161
UK Local Authority	242.7	2.0	4,955	1.5	12.8	48,983	261
Overseas Government Provincial and Municipal	8.3	0.1	1,439	0.5	0.4	5,742	76
Fixed Interest Stock Pref. & Preferred Ord. Shares	99.4	0.8	18,248	5.6	5.2	5,447	960
Ordinary Shares	1,489.5	12.1	223,054	68.9	78,395,000	6,678	11,739
TOTAL	12,352.5	100.0	323,977	100.0	650,131,000	38,127*	17,051*

* Average of all securities.

● NEWS ANALYSIS—WATER AUTHORITY REORGANISATION AFTERMATH

Foot the bill to keep sewerage charges down and water on tap

BY PETER O'CONNELL

THE Government is to consult the water industry during the next few weeks about how to cushion rising water and sewerage bills without external subsidy.

The National Water Council has projected an increase in its water rates next April of no more than 25 per cent, thought to take into account its 13 per cent pay offer.

However, the industry's manual workers have threatened industrial action—which could create a serious health hazard and disrupt domestic and industrial supplies—to back their pay claim for rises of at least 40 per cent.

Many householders, shops and most small businesses in England and Wales will be under further pressure if the Government goes ahead with its intention to repeal legislation which at present aids poor water authorities by re-distributing £9.8bn from the rich authorities.

Mr. David Walker, deputy director-general of the council, said the Treasury had frozen the industry's capital expenditure allocation for this and the following financial years at a level only 55 per cent in 1973-74 capital spending in real terms.

This was in spite of a programme for new storage and laying pipelines between authorities to reduce the rationing 1976-style summer drought might necessitate.

Water rates have been a subject of growing public concern since 1974, when 10 water authorities were set up to take over the local authorities' responsibility for collecting the charges under the 1973 Water Act.

The Act streamlined the 1,600 separate water authorities, including 100 boards, in England and Wales into 10 large authorities headed by the council.

The industry's critics have tended to blame the reorganisation for all subsequent ills.

Mr. Walker puts it thus: "By removing the responsibility for sewerage from local authorities to water authorities, the Government's 61 per cent contribution to local authority services through the rate support grant was withdrawn. Water supply was partially on council rates too.

"The effect was that for the first time consumers were made acutely aware of the cost of the service without a Government grant.

"Reorganisation coincided with the authorities picking up hte inheritance of a capital expenditure boom in 1973-74, resulting from a general public spending increase and greater concern for environmental improvement."

In June, the Conservative Government ordered the water industry to cut its capital expenditure by 11 per cent to £540m in 1979-80 and to £610m in 1980-81.

Mr. Walker comments: "The council does not regard the fall in expenditure since the days immediately before reorganisation as an indication that current levels are likely to be substantially wrong.

"The reorganised industry can spend more efficiently and establish more exacting criteria than its many separated predecessors."

The Council has decided it cannot afford to guarantee reliable supplies in another severe drought.

"The drought was a most unusual occurrence and the Council's view is that it would not appear to be economic sense to invest heavily for margins of security beyond those demonstrated generally. Moderate savings by customers in rare cases of severe drought appears to be a reasonable and acceptable basis of planning," Mr. Walker says.

The Council has also abandoned the idea of building a national water grid, although some inter-regional pipelines will still be considered.

The council admits it is unsure whether the Government's cash limits permit adequate spending on environmental protection, such as safeguarding the quality of river-water.

However, the pause in population growth and stagnation of industrial production have halved the forecast increase in demand for water supply of 42 per cent from 1975 to 2001.

As a result, the £100m sewerage extension and improvement scheme, based at Peel Common, Hampshire, to serve Southampton and Portsmonth has been slowed down.

Development of the £100m Kielder reservoir, Northumberland, which was planned to store 41bn gallons over an area three-quarters the size of Lake Windermere, is likely to have its 1982 completion date set back as the growth of Teesside industry it was to serve slows down.

The new water authorities have coped with the problems of reorganisation with differing degrees of success.

The largest, Thames, says it has tried to keep its charges down by efficiency.

Mr. Hugh Fish, chief executive of Thames, told the Government recently that its efficiency was to be penalised by a £4.39m contribution it was to make in 1980-81 to poorer water authorities.

The payment, equivalent to £1.15 from each of its domestic consumers, is made under the Water Charges Equalisation Act 1977.

The Act was introduced to cushion consumers in poor areas using unmeasured water—all householders, shops and most small businesses—from the effect of the rate support grant being removed.

Other areas which lose out under the Act are Southern, North West, Wessex and most of the private water companies. The beneficiaries are in Severn-Trent, Yorkshire, Anglia, Northumbria, South West and Wales.

Mr. Marcus Fox, Under Secretary for the Environment, announced his intention last month to repeal the Act and accused it of producing perverse, absurd and capricious effects.

"It is a tiresome exercise for the industry to service and for my department to adiminster. For all its Byzantine complexity and spurious computerised precision, it just does not work," he said.

"An Act which it was hoped would equalise water bills has, in a large number of cases, had quite the opposite effect.

"For 1980, it also has the effect of moving the bills of over 42 per cent of consumers away from the national average. Many of those with above-average bills will be required to pay more, and many of those with below-average bills will actually have them reduced."

The Act has benefited the Welsh Water Authority with a £3.1bn subsidy due in 1980. Repealing the Act will mean an extra £3 on customers' bills from April 1982.

Mr. Fox, keen to avoid any protests over further big increases in water charges, has agreed to consult the industry when he takes a close look at the rates system in the next few weeks.

Strong demand pushes up City rents

BY MICHAEL CASSELL

CITY of London office rents should continue to rise in 1980, regardless of what happens in other sectors of the property market, according to a report from St. Quintin, the chartered surveyors.

In a year-end report, the agents say prospects for 1980 in the City seem to include an element of caution, but there is an underlying strength in the Square Mile. This has been reflected in the property market in the past and can be expected to do so again.

"This underlying strength is a source of encouragement to both the providers and takers of space. No matter what the difficulties are in other parts of the property market, we expect a new and slightly higher rental level to be established for prime City premises in the course of next year."

High demand for City space meant that by December the supply of vacant offices fell to nearly 2m sq ft from about 2.5m sq ft in June. Rents, which had ranged between £16 and £17 a sq ft for prime space at the start of 1979, reached £20 and more by the late summer. St. Quintin says rent rises have occurred not only in central areas but also towards the periphery of the City.

The agents say rental growth in the West End and other London markets surpassed most expectations in 1979, although it considers it likely that activity may slow down in the first half of 1980.

Rents are matching or exceeding the levels achieved in 1973-74 and an uncertain future is making pre-let arrangements for new developments and refurbishments increasingly popular.

High rents being achieved in locations like Mayfair, St. James's and Victoria, coupled with the strong City market, have helped to increase the popularity of areas like Holborn and the Covent Garden part of the Strand. Holborn, says St. Quintin, has "moved from strength to strength."

The agents point out that there could be problems ahead in Mayfair, where many period buildings in the 3,000 sq ft to 10,000 sq ft range may revert to residential use when post-war planning consents run out in 1990.

Westminster City Council wishes to return these properties to residential use — involving as much as 1.8m sq ft of space—and St. Quintin says, if this happens, an acute office shortage would follow and rents in Mayfair would rise to "unprecedented levels."

Outside London, St. Quintin says that the very strong demand for provincial office space may well continue into 1980, especially involving the professional and service sectors. Rental growth, it suggests, could at last begin in those centres which have reduced their over-supply of space.

Cuts in public expenditure may retard any growth. As rationalisation takes place, properties formerly occupied by the public sector may come onto the letting market.

WORLD STOCK MARKETS

Companies and Markets

NEW YORK

Early rebound on Wall St.

DEFENCE ISSUES were strong but Gold and Silver shares lost ground as Wall Street rebounded in active trading yesterday, after two days of broad retreat.

By 1.00 pm the Dow Jones Industrial Average recovered 5.97 to 826.28, reducing its loss on the holiday shortened week to 12.63. The NYSE All Common Index, at $60.84, was up 50 cents on the day but still down $1.04 on the week, while advances led declines by a three-to-one majority. Trading volume dropped 10.36m shares to 26.59m, compared with 1.00 pm on Thursday.

Analysts said the emotional selling that developed over worsening relations between the U.S. and the Soviet Union appeared to have eased, setting the stage for a technical rebound. The Defence Group was benefiting from expectations the U.S. will step-up defence spending.

Closing prices for North America were not available for this edition.

The fall in Gold and Silver bullion prices was contributing to the firmer overall tone although it was hurting Mining shares.

In the Defense group, volume leader Boeing rose $2¼ to $52¼. Rockwell $1⅜ to $48⅞, Todd Shipyards $2 to $36⅜, Litton Industries $2⅜ to $44¼, Grumman $1¼ to $25⅜, Lockheed $1½ to $36¼ and General Dynamics $1¼ to $63⅜. McDonnell Douglas were up $1¼ to $37⅞.

Among Metals and Minings, active Benguet Consolidated fell $⅞ to $7½, ASA $⅞ to $43, Dome Mines $1¼ to $54¼, Homestake Mining $⅞ to $53⅞, Hecla Mining $1⅜ to $40⅞, Callahan Mining $1 to $33¼, Kennecott Copper $⅞ to $31⅛, and Handy and Harman $2⅜ to $37⅞.

OKC Corp. rose $2 to $53—it will sell an Oklahoma cement plant to Lone Star Industries for $84m.

Energy, Computer, Banking, Electrical Equipment, Photographic, Steel and Chemical groups advanced.

Many silver stocks had yet to trade but Sunshine Mining dropped $3¼ to $32¼.

Chrysler gained $¼ to $7¼—it reported late December car sales were off just 6.9 per cent from a year earlier, a sharp improvement from the mid-month fall of 36 per cent.

Ford Motor slipped $¼ to $31¼—it halted production for one to two weeks at 11 car and three truck plants, laying off 34,575 workers due to slack sales.

THE AMERICAN SE Market Value Index regained 2.20 to 241.86 on a turnover of 3.45m (6.69m) shares.

Manor Care jumped $3¼ to $19⅝—it plans a three-for-two split and stock and cash dividends.

Canada

Markets eased in active trading around noon yesterday, when the Toronto Composite Index slipped 0.2 to 1,789.2.

The Gold share Index shed 65.4 to 2803.1. Issues suffered profit-taking as Giant Yellowknife fell $1¼ to $20, Dome Mines $¼ to $63¼, Camflo Mines $¼ to $20¼, Pamour Porcupine "A" $⅜ to $12¼ and Kerr Addison $¼ to $15⅛.

Tokyo

Markets closed the half-day session lower, reflecting tension in Afghanistan and the sharp overnight fall on Wall Street. Volume 270m shares.

Export-Orientated Electricals and Vehicles, Oils and Trading Houses led the fall.

But non-Ferrous Metals firmed, reflecting the rise in overseas gold prices. Dowa Mining gained 27 to Y450, Nippon Mining 17 to Y297 and Sumitomo Metal Mining 15 to Y251.

Paris

Share prices firmed in active trading, reflecting the sharp fall in Gold prices.

Gold trading was suspended for around 40 minutes following a sharp price fall and the Napoleon gold coin resumed quotation at FFr 611 after quotes as low as FFr 470 and compared with Thursday's close of FFr 1,130.

All share price sectors made gains, with Oils particularly in demand.

Compagnie Francaise des Petroles certificates were temporarily suspended, due to an influx of buying orders, but resumed trading at FFr 56 compared with FFr 52 at Thursday's close.

Among Foreign shares, U.S. and German stocks were steady, Dutch and Oils were firm, but Gold Mines fell back sharply.

Germany

Prices were mostly firmer in lively trading in reaction to recent weakness.

Horten rose DM 1.8 to 119 on higher 1979 sales, but elsewhere in Stores Karstadt lost DM 1 to 238.

In Options Trading prices and turnover were steady, with activity centring on AEG and Chrysler call options, and GHH, KHD and Kloeckner put options.

On the Domestic Bond Market Public Authority Loans were mostly steady, and the Bundesbank sold a nominal DM 15.8m of stock.

Mark-denominated Foreign Loans eased.

Brussels

Belgian shares were mostly lower in moderate trading.

In Foreign stocks, UK and Canadians were lower, Germans and French higher, Dutch steady, while U.S. were mixed. Gold Mines fell sharply.

Milan

Stocks closed irregularly lower after a fairly busy session with sentiment mainly affected by the fall in the Gold price.

Bonds were steady in moderate trading.

Switzerland

Press speculation on the possible introduction of a Withholding Tax on Trust Funds and Foreign Bonds sent active Bank shares and other leading shares down.

Bank Leu Bearer fell SwFr 70 to SwFr 4,680 and Union Bank Registered SwFr 8 to 641 in uniformly lowgr Banks.

Domestic as well as Foreign Bonds were lower in small volume ahead of the National Bank's decision on Medium-Term Note rates.

In the Foreign sector, Dollar stocks traded near overnight New York closing levels. South African Mining Financials lost most of Thursday's strong gains. Dutch internationals were steady and Germans went higher.

Hong Kong

Prices continued more lower in active trading on concern over possible Government moves to curb property speculation, with the Hang Seng Index losing 13.22 to 848.84.

After an uncertain start following Thursday's sharp fall, the market firmed initially, but fell back steadily from mid-morning as sellers took the upper hand, with Properties taking the brunt of the losses.

Australia

Markets fell on profit-taking after the recent sharp gains, with the 4.5 per cent National Wage award also depressing sentiment.

BHP dipped 30 cents to $A12 while among Minings, MIM lost 20 cents to $A4.55 and BH South 30 cents to A$4.20.

Golds issues also lost ground, with Central Norseman falling 90 cents to A$6, Peko Wallsend 68 cents to A$8.20, Poseidon 23 cents to A$2.42 and GMK 10 cents to A$3.90.

Among Oil and Gas stocks Santos gave way 30 cents to A$7 and Hartogen 25 cents to A$2.70.

Johannesburg

Gold shares closed at, or near, the day's lows following the International gold price's sharp fall from Thursday's record levels. Trading was active and nervous.

Mining Financials followed Producers downwards.

Platinums and Coppers eased.

Industrials were mixed with a firmer bias.

CANADA

Stock	Jan. 3	Jan. 2
Abitibi	18⅝	19
Agnico Eagle	13	—
Alcan Alumn.	54¾	55¾
Algoma Steel	30	30⅝

BELGIUM (continued)

Jan. 4	Price Frs.	+ or —
Petrofina	5,650	+70
Royale Belge	5,370	—140
Soc Gen Banq	2,895	+10
Soc Gen Belge	1,620	+5
Sofina	3,160	—10
Solvay	2,385	+5

HOLLAND

Jan. 4	Price Fls.	+ or —
ACF Holding	78	+1.5
Ahold	80.7	+0.2
AKZO	25.1	+0.5
ABN	306	+3
AMEV	99	+1

AUSTRALIA

Jan. 4	Price Aust. $	+ or —
ANZ Group	4.15	+0.05
Acrow Aust.	1.03	—0.02
Allstate Expl.	0.70	—0.12
Amap Pet.	1.10	....
Ast. Pulp Pap.	2.18	+0.05
Audimco	0.26	....
Aust Cons Ind.	2.55	+0.01

JAPAN (continued)

Jan. 4	Price Yen	+ or —
Makita	1,190	....
Marubeni	379	—1
Marudai	666	....
Marui	786	—14
Matsushita	721	—7
M'ta Elec Works	579	+5

Superfos to pay same despite loss in Germany

By Hilary Barnes in Copenhagen

SUPERFOS, the Danish chemicals group, propose an unchanged 12 per cent dividend for 1979 in spite of losses on the operation of an ammonia plant in Germany.

Mr. Per Soeltoft, the chairman, said that the losses on the German plant will cut operating profits by about DKr 150m ($28.2m) and that they will be "somewhat lower" than the 1978 earnings of DKr 174m. In the first half of 1979 operating profits were DKr 110m, compared with DKr 156m in 1978.

Superfos is joint owner with Veba of the ammonia plant at Brunsbüttel in West Germany. Results have been adversely affected by a combination of technical problems and rising oil prices.

The chairman's statement was issued after a Danish newspaper report said that operating profits for 1979 could be cut to nil and the dividend might have to be reduced.

● From Norway Borregaard says that it expects 1979 profit before year-end appropriations and tax to be around NKr 100m ($20.45m) compared with NKr 12.8m. Total turnover should show little change at NKr 3.3bn ($674.8m) with investments around NKr 150m.

The results can be attributed mainly to better markets for wood-based products and better profitability from mining activities. Chemical activities improved overall despite a large loss at the chlorine mill at Rafnes, Telemark, while earnings from edible oils and fats were satisfactory.

The company would not say whether 1979 would see a return to dividends: the last payment was NKr 4 in 1976.

7% increase in turnover for German engineer

BY KEVIN DONE IN FRANKFURT

THE WEST GERMAN diesel engines, agricultural equipment and process plant manufacturer, Klöeckner - Humboldt - Deutz, boosted sales by 7 per cent last year to just under DM 3.4bn ($1.99bn).

The main progress in the diesel engine division came from the sales of the smaller fast-running, air-cooled engines, where the turnover was increased by 11 per cent. Demand was far less buoyant for the larger engines, where sales registered a drop of 8 per cent.

Earlier, KHD announced that it was pulling out of the IVECO, commercial vehicle business by selling its 20 per cent stake to Fiat, the Italian vehicle group, which hold the majority 80 per cent holding. KHD said it wanted to concentrate on the manufacturing of engines rather than the building of commercial vehicles and lorries.

In its other major businesses KHD said yesterday that the process plant division had only held the previous year's sales level of DM 612m, while the tractors and agricultural machinery sector had increased sales by 11 per cent to more than DM 1bn.

The main impetus for the improved picture in this division came from the sales of tractors, which increased last year by 17 per cent compared with 1978. Sales of other agricultural machinery showed no change over 1978.

Given the 7 per cent increase in new orders taken over the past 12 months KHD said it was expecting a significant increase in sales in 1980 taking the group's turnover beyond DM 4bn.

Horten, one of West Germany's leading retail store groups, made modest sales gains last year with total group turnover rising by 2 per cent to DM 3.7bn ($2.16bn).

In its preliminary review of 1979 activities the company did not mention earnings.

Its sales area in 58 stores declined 2 per cent to 591,000 sq metres at the end of last year from 603,100 sq metres a year ago, while the workforce dropped 2.5 per cent to 26,800 from 27,500. BAT Industries, of Britain, is the largest single shareholder of Horten.

Travel business turnover was DM 60m in 1979, up 19.7 per cent from 1978.

Nedlloyd in share exchange

BY CHARLES BATCHELOR IN AMSTERDAM

NEDLLOYD, the Dutch transport and shipping company, and P & O of the UK are to buy out their two partners in their North Sea Ferries subsidiary and simplify their own shareholdings. North Sea Ferries operates four passenger and car ferries from Hull to Zeebrugge and Rotterdam as well as a chartered roll-on roll-off vessel between Rotterdam and Ipswich.

The Dutch shipping group Van Ommeren, which has a 20 per cent stake in North Sea Ferries, and the West German Argo Reederei, with 10 per cent, have asked their partners to take over their holdings, Nedlloyd said. It declined to give financial details.

When this has been completed P & O and Nedlloyd, which now have 45 per cent and 25 per cent respectively in the Dutch and British halves of the company, will exchange shares. This will leave P& O in complete control of the British company and Nedlloyd in complete control of the Dutch side.

Despite the poor start to 1979 following industrial action by dockers in Hull and the British road haulage strike, Nedlloyd does not expect North Sea Ferries' result to be below that of 1978. The ferry company, which does not publish figures, carries 500,000 passengers and 100,000 vehicles a year on its service from the Continent to Hull. This transaction will not affect the close co-operation between the two remaining partners, Nedlloyd said.

Van Ommeren has experienced several years of weak results. Its performance improved in 1979, however, and a profit of at least Fls 36m is expected.

● Amro, the major Dutch bank, is to raise Fls 150m on the Amsterdam capital market through the issue of 20-year bonds with a coupon of 9¼ per cent. The offering is to be priced next Wednesday.

Finnish bank rights issue

HELSINKI — Kansallis-Osake-Pankki, one of the largest banks in Finland, proposes an increase in capital to FM 621m ($169.2m) from FM 405m by a bonus issue and a rights issue.

A total of FM 81m are to be offered as a bonus issue on a one-for-four basis. The remaining FM 135m would be raised by a rights issue which is to be offered on a one-for-three basis at FM 22 a share. Subscription will begin on February 11.
Reuter

Lionel lowers forecast

NEW YORK—Lionel Corporation, the toy and leisure products group, expects to report a profit increase of at least 49 per cent on a 26 per cent sales advance in 1979 from the year earlier, said Mr. Ronald D. Saypol, president and chief executive officer.

This represents a lowering of his earlier prediction of an at least 71 per cent earnings rise on a 31 per cent sales boost because of "a continuing deterioration of the toy business at a time when the business should be picking up," he said.

Despite the downward-revised increases, company management still plans to recommend next April that the Board increase the quarterly dividend to 5 cents a share, up from the current 4 cent rate.

Mr. Saypol estimated that 1979 net income for the company would be between $4.2m and $5.6m which is down from his recent prediction of net of $6m to $6.8m. Net last year was $3.5m. Estimated 1979 net is now $1.03 to $1.10 a share, up from 70 cents a share the year before.
AP-DJ

Federal study of Thomson bid for FP

By Robert Gibbens in Montreal

THE FEDERAL COMBINES office says it has started a preliminary study of the C$139m (US$110.45m) bid by by Thompson Newspapers for all the shares of FP Publications, owners of the Toronto Globe and Mail and several other major Canadian daily papers.

The office said that the study is being made because "some competition issues" may be raised by the bid. The study is the preliminary step towards any formal inquiry.

An announcement will be made before expiry of the bid on January 11, the office stated.

The Thomson bid countered one worth C$119m from a group headed by Mr. Conrad Black, who controls the big Toronto holding company Hollinger Argus Corporation, and also several small newspapers in western and eastern Canada.

The Black bid in turn capped an earlier offer from the Webster family interest, of Toronto and Montreal, who already own a major holding in FP Publications.

U.S. aviation group buys into oil exploration

CLIFTON—Mr. Fred R. Sullivan, chairman of the U.S. aviation and security equipment group, Walter Kidde, and Mr. A. E. Tilley, president of Input-Output of Houston, announced the acquisition of Input-Output by Kidde. Terms were not disclosed.

Input-Output is a designer and manufacturer of seismic equipment for the oil exploration industry. The company's product line includes flying systems, recording processors, testing devices and other equipment used in oil, gas, coal, uranium and other hard mineral exploration. Products also include digital high-resolution recorders systems to measure three-dimensional data and cable testing equipment to check cable continuity, leakage or break locations.
AP-DJ

Sluggish Christmas sales for leading U.S. stores

CHICAGO—Christmas trading at the leading department stores has been held in check by warm weather and a slackening economy. But the major retailers have recorded respectable December sales figures, "although they are forecasting a sluggish first half for 1980.

K Mart Corporation has again topped the sales league table with a 12 per cent gain over December 1978. F. W. Woolworth announced that sales rose 8.1 per cent and Montgomery Ward, a unit of Mobil Corporation, said sales were up by 4.6 per cent. J. C. Penney sales continued slow, with a 3.4 per cent increase, and Sears, Roebuck, the largest retailer in the U.S., recorded a disappointing 3.9 per cent sales increase.

A sales surge in the final days before Christmas helped many companies recover from what had begun to resemble a Scrooge-like December. Sears, for instance, said "Unexpectedly strong last-minute" shopping was an important factor, and Mr. William Andres, chairman of Dayton Hudson Corporation, said that sales during the Christmas week boosted the company's December sales increase to 15 per cent from an anticipated 10 per cent to 12 per cent rise.

Unseasonably warm weather in the Midwest and East had curbed buying of items such as winter coats.

The outloo kfor the first half of 1980, most retailers said, is for difficult times.
AP-DJ

Brazil curbs state borrowing

BY DIANA SMITH IN BRASILIA

IN 1980, Brazil's 92 largest State-owned enterprises will spend an estimated Cr 2 trillion (million million) ($49bn). This, according to the Secretariate of Supervision of State-Run Enterprises, is equivalent to about 30 per cent of estimated gross domestic product for 1979.

In all, there are 520 State-run enterprises: public utility monopolies, mining and oil concerns and their subsidiaries, welfare authorities and other boards. The spending of the 92 largest concerns, which includes Petrobras, Sidebras (steel) and Companhia Vale do Rio Doce (mining), absorbs between 80 and 90 per cent of all outlays of public enterprises.

As of 1980, all budgets of these enterprises will come under severe scrutiny, and their foreign borrowing will be held to a ceiling of $3.7bn (revised upwards from the previous $3bn ceiling, because of the 308 per cent devaluation of the cruzeiro on December 7).

Turnround to profit at Cook Industries

By Our Financial Staff

COOK INDUSTRIES, the Memphis-based agri-products and insurance group has reported a substantial turnround in the second quarter from the losses recorded a year ago. Total net earnings for the quarter are $658,000, with a tax credit of $391,000 bringing a final total of $1m or 28 cents a share. Sales of $16.5m compare with $14.6m.

In the comparable quarter, a loss of $310,000 was cut to $130,000 by a tax credit.

Operating net for the first half of the year now totals $1.5m, with a $734,000 tax credit bringing the figure up to $2.2m or 61 cents a share. A year ago, net totalled $423,000, largely made up of a tax credit. Sales for the first half have increased from $31m to $34.7m.

Cook suffered losses of more than $80m in 1977 after heavy speculation in the grain futures market. It later sold off most of its grain merchandising interests at $50m to Mitsui for an undisclosed figure.

COMMODITIES/REVIEW OF THE WEEK

Gold dominates

BY OUR COMMODITIES STAFF

THE SPECTACULAR rises in gold, silver and platinum dominated the markets this week.

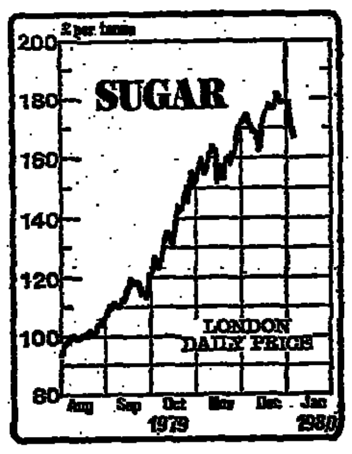
On the London Metal Exchange copper prices surged to the highest level since 1974 at one stage before losing ground again on profit-taking sales. Nevertheless copper cash wirebars closed £59 up on the week at £1,051 a tonne and prices moved further up in late trading following the rally in gold.

Dealers remain cautious, however, since virtually all the buying interest is coming from speculators.

Trade users are reported to be keeping out of the market until more normal conditions are restored. But in the U.S. producers took the opportunity to raise domestic prices, although Asarco quickly rescinded a jump to $1.20 a pound coming back to the general level of $1.12.

Tin prices were marginally higher, despite President Carter signing this week the Bill authorising the sale of 35,000 long tons of tin from the U.S. strategic stockpile. Negotiations are to be held with the International Tin Council on proposed sales, and the U.S. contribution to the buffer stock, so it may take some time yet before stockpile tin actually becomes available.

Lead values, after following the upward trend in copper, subsequently fell back when several U.S. producers an-



nounced further price cuts to 52 cents a pound as a result of poor demand and rising stocks. Cash lead closed last night £6.5 up on the week at £510 a tonne after rising to £539 on Wednesday. Zinc was under constant pressure, despite one brief rally, and the cash price ended the week 9.5 down at £326 a tonne—the only metal whose price actually declined during the week.

Platinum and silver both soared to new peaks, following the renewed upsurge in gold. On the London bullion market the spot quotation rose to a record 1,793.7p a troy ounce before falling back yesterday to 1,463.05p, still 213.35p up on the week. But the late recovery in gold brought a rally in silver too in the afternoon and prices rose back above 1,600p. There were even wilder fluctuations on the Metal Exchange where prices ranged from a low of just over 1,400p to a high of over 2,000p.

Free market platinum prices also moved erratically. After reaching an all-time peak of £358.65 a troy ounce, the price fell back to £326.25 yesterday still £22 up on the week.

World sugar values dropped sharply this week as the market awaited the result of the International Sugar Organisation meeting in London seeking a rise in export quotas. The London daily price for raw sugar was cut by £12 to £167 a tonne. May futures rallied yesterday on booksquaring prior to the weekend but was still over £7 lower on the week at £178.375. The ISO meeting was continuing when the market closed on Friday night. It is understood that exporters have agreed to a rise in export quotas for 1980 of 1.3m tonnes, nearly 10 per cent increases. But they refused to consider a further quota increase unless a date was set for a review of the Agreement's price range.

Coffee futures also ended lower despite a rally yesterday.

The Bogota producer group, which has been a major influence in supporting coffee prices in recent months, is to meet in Panama next Wednesday to discuss "market related matters."

The cocoa market began the new year with a continuation of the recent downtrend. The May position closed £36.5 down on the week at £1,437.5 a tonne.

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1979/80 High	1979/80 Low
METALS					
Aluminium	£760/770	—	£719	£770	£710
Free Markets c.i.f.	$1850/1950	+125	$1,235/55	$1,900	$1,210
Antimony					
Free Market 99.6%	$3200/3350	+35	$2,675/750	$3,250	$2,712.5
Copper Cash Wire Bars	£1,051	+59	£781.5	£1,090.5	£769
3 months Do. Do	£1,074.5	+73	£793.25	£1,104	£783.75
Cash Cathodes	£1,019.5	+55	£763.25	£1,062	£744.5
3 months Do	£1,050	+68.5	£780.75	£1,084	£767.25
Gold per oz	$590	+80	$224.875	$630	$216.625
Lead cash §	£510	+6.5	£468.5	£701.5	£455.75
3 months §	£500.5	+7	£428.25	£642.5	£420.75
Nickel	£3,260.17	—	†	£3,260.17	£2,320.88
Free Market c.i.f. lb	275/320c	+7.5	163/76c	340c	166c
Platinum per oz	£195	—	£152	£195	£159
Free Market per oz	£326.25	+22	£171.95	£358.65	£166.6
Quicksilver (76lbs.)	$380/390	+7.5	$175/85	$385	$180
Silver per oz	1,463.05p	+215.35	296.4p	1,793.70p	269.4p
3 months per oz	1,518.00p	+229.3	303.7p	1,843.70p	303.7p
Tin cash	£7,470	+38	£6,970	£7,967.5	£6,320
3 months	£7,325	—130	£6,895	£7,620	£6,365
Tungsten Ind	$138	+0.25	$140.39	$145.56	$127.94
Wolfram (22.04 lb)	$132/136	+2.25	$132.37	$144/149	$120.5
Zinc cash	£326	—9.5	£346	£406.5	£275.5
3 months	£340.5	—5	£356.25	£423.5	£286.25
Producers	$780	—	$720	$845	$720
GRAINS					
Barley					
Home Futures	£96.80	—0.20	£86.5	£98.80	£85.8
Maize					
French No. 3 Yellow (Amer).	£119	—1	£107.25	£120	£105.5
WHEAT					
No. 1 Red Spring	‡	—	£97	£99.0	£92.0
Am. Hard Winter	£104.75	—	£85	£111.75	£83.5
Eng. Milling (new crop)	‡	—	£95.5	£107.5	£93.5
SPICES					
Cloves (g)	$4,000x	—	$3,975	$4,000	$3,850
Pepper, white	$2,725x	—	$2,850	$2,850	$2,600
" black	$1,925x	—	$1,850	$1,925	$1,650
OILS					
Coconut (Philippines)	$665w	+15	$945	$1,175	$670
Groundnut 5%	‡	—	‡		‡
Linseed, Crude	£392	—3	£346	£441	£385
Palm Malayan	$555z	—5	$610	$720	$532.50
SEEDS					
Copra (Philippines)	$570	+5	$640	$745	$565.5
Soyabeans (U.S.)	$290.75y	—	$285	$350.45r	$235.2*
OTHER COMMODITIES					
Cocoa Shipment	£1,497	—37	£2,041	£2,041	£1,446
F'ts 2nd psn.	£1,437.5	—37	£1,990.5	£1,990.5	£1,330.5
Coffee Futures March	£1,569	—21.5	£1,356.5	£2,089	£1,298.5
Cotton Index	84.65c	+1.25	78.40c	84.85c	72.5c
Des. Coconut	£730	+20	£740	£740	£700
Jute LJ ABW C grade	$216z	—10	$525	£263	£226
Rubber kilo	68.50p	+2	55p	68.75p	55p
Sago Pearl	£216x	—	£183	£219	£178
Sisal No. 3	$885	—	$515/30	$885	$515
Sugar (Raw)	£167	—12	£96	£182	£92.5
Tapioca No. 1	£211xr	—	£167	£211	£157
Tea (quality) kilo	‡	‡	‡	155p	123p
" (plain) kilo	‡	‡	‡	82p	57p
Wooltops 64s Warp	279p kilo	+3	268p kilo	295p kilo	262p kilo

* Nominal, ‡ Unquoted, (g) Madagascar. (x) Jan./Feb. (z) Feb. (w) Jan./Mch. (y) April.

MARKET REPORTS

BASE METALS

COPPER—Lower on the London Metal Exchange. The initial sharp fall in gold and silver saw forward metal fall from £1,097 to the mid-£1,080's on profit-taking and stop-loss selling prior to the opening on Comex. Following the opening, however, the market staged a strong recovery with forward metal moving ahead to close the late kerb at £1,090. Warehouse stocks are expected to show a decline over the past week. Turnover: 17,850 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	1068-9	—23	1050-2	—25
3 months	1077-9	—22.5	1074-5	—29.5
Settlem't	1069	—23		
Cathodes				
Cash	1022-4	—28	1019-20	—29.5
3 months	1054-5	—28	1049-51	—34
Settlem't	1024	—28		
U.S. Prod.	—		*110-12	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £1,056, 57, three months £1,075, 74, 72, 73, 74, 77, 78, 77, 78. Cathodes, three months £1,055. Kerb: Wirebars, three months £1,077, 76, 74, 73, 72, 70, 71, 70, 69, 67, 68, 69, 70. Afternoon: Wirebars, three months £1,076, 75, 76, 75, 74, 73, 70, 71, 73, 74, 73, 78.5, 74, 75, 76, 75. Cathodes, three months £1,050. Kerb: Wirebars, three months £1,082, 81, 80, 81, 82, 81, 80, 81, 83, 84, 86, 87, 88, 89.

TIN—Held steady in fairly quiet trading. Forward metal opened lower at £7,280 owing to the weakness of other metals but moved up to touch £7,320 in the early afternoon following good fresh buying interest. However, a late downturn left the price at £7,310 on the kerb with the backwardation narrowing to around £160. Turnover: 950 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7500-5	—40	7460-80	—12.5
3 months	7320-40	—10	7320-40	+18
Settlem't	7505	—40	—	......
Standard				
Cash	7500-5	—40	7460-80	—12.5
3 months	7315-20	—12.5	7320-30	+12.5
Settlem't	7505	—30	—	......
Straits E.	‡$2111	+4		......
New York	—			

Morning: Standard, cash £7,490, 7,500, 05, 10, 05, 7,500, three months £7,280, 7,305, 10, 20, 10, 15. Kerb: Standard, three months £7,305. Afternoon: Standard, cash £7,460, three months £7,300, 7,290, 95, 7,300, 20. Kerb: Standard, three months £7,310, 20.

LEAD—Lower along with other metals. Forward metal opened around £504 and moved up to £512 early on before attracting heavy selling from one quarter which pared the price to £507. In the afternoon this selling continued and the price fell sharply to £495 before recovering to close the late kerb at £500. Turnover: 13,950 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Cash	523-5	—9	509-11	—21
3 months	511-2	—7	500-1	—8
S'ment	525	—8	—	......
U.S. Spot	—		*52-55	......

Morning: Cash £523, three months £505, 7, 9, 10, 12, 10, 11, 12, 13, 12. Kerb: Three months £510, 9. Afternoon: Three months £510, 09, 07, 08, 07, 08, 09, 08, 05, 03, 02, 500, 01, 500, 01, 500. Kerb: Three months £505, 02, 500, 498, 95, 96, 95, 98, 94, 95, 500, 499, 500.

ZINC—Easier reflecting the weakness of other metals. After opening at £345 and edging up to £349 forward metal held steady until the afternoon rings where influential selling depressed the price to a low of £340 prior to a close on the late kerb of £341.5. Turnover: 2,550 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Cash	335-.5	—4.75	325-7	—5.5
3 months	348-9	—5	340-1	—5.62
S'ment	335-5	—5.5	—	......
Prim w'st	—		*37.5	......

Morning: Cash £335, three months £348, 48, 48.5, 49.5, 49. Kerb: Three months £349. Afternoon: Three months £346, 44, 43, 41, 40, 41. Kerb: Three months £343, 41, 45.

ALUMINIUM—Down. Forward metal traded around the £870 level for most of the morning but came under pressure in the afternoon as small selling saw the price dip to £865 prior to closing the late kerb at £865. Turnover: 7,100 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unoffic'l	†+or —
	£	£	£	£
Spot	895-9	—26.5	890-5	+21.5
3 months	870-1	—55	864-5	—28

Morning: Three months £876, 74, 72, 70. Kerb: Three months £870, 69. Afternoon: Three months £873, 71, 70, 69, 68, 65. Kerb: Three months £868, 67, 68.

NICKEL—Fell away in quiet trading, with forward metal finally £2,900 after touching £2,950 in early trading. Turnover: 384 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
Spot	2830-50	—15	2800-20	—45
3 months	2925-35	—27.5	2895-90	—50

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

Morning: Three months £2,940, 35, 40, 50, 35, 30. Afternoon: Three months £2,930, 20, 2,900. Kerb: Three months £2,900.

SILVER

Silver was fixed 185.05p an ounce lower for spot delivery in the London bullion market yesterday at 1,463.05p. U.S. cent equivalents of the fixing levels were: spot 3,275.0c, down 425.0c; three-month 3,380.6c, down 319.4c; six-month 3,442.90c, down 371.6c; and 12-month 3,555.60c, down 393.4c. The metal opened at 1,520-1,740p (3,400-3,900c) and closed at 1,475-1,610p (3,300-3,600c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	1463.05p	—186	1605.00p	—105
3 months	1518.00p	—190	1650.00p	—109
6 months	1551.00p	—185	—	......
12months	1618.00p	—177	—	......

LME—Turnover 240 (336) lots of 10,000 ozs. Morning: Three months 1,530, 25, 20, 14.5, 10, 15, 20, 25, 30, 20, 10, 05, 1,500, 1,490, 85, 90. Kerbs: Three months 1,490, 1,500. Afternoon: Three months 1,550, 60, 1,630, 25, 30, 50. Kerbs: Three months 1,640, 50, 30, 50.

COCOA

Opening at the dues some £10 lower, futures traded in light volume over a £25 range closing at the mid-point of the spread. Producers remained on the sidelines while consumers continued to make limited purchases particularly for second-half 1980 positions beans and products, reported Gill and Duffus.

COCOA	Yesterd'ys Close	+ or —	Business Done
March	1435-37	—8.0	1448-34
May	1437-38	—16.5	1456-39
July	1452-54	—16.0	1467-45
Sep	1472-74	—12.0	1480-68
Dec	1487-95	—14.0	1504-1490
March	1500-20	—20.0	1515-1495
May	1520-48	—18.5	—

Sales: 1,601 (3,040) lots of 10 tonnes.

International Cocoa Organisation (U.S. cents per pound). Daily price Jan. 3: 140.46 (138.37). Indicator price Jan. 4: 15-day average 144.76 (144.79): 22-day average 144.11 (144.28).

COFFEE

Early dealings in robustas were slightly lower but trading was very thin, reported Drexel Burnham Lambert. In the afternoon trading was much heavier and prices rose strongly as New York hit limit up. But heavy bouts of profit-taking towards the close erased much of the gains.

COFFEE	Yesterdays Close	+ or —	Business Done
	£ per tonne		
January	1561-63	+16.5	1570-31
March	1568-70	+10.5	1591-40
May	1573-75	+22.0	1598-39
July	1585-88	+42.5	1600-36
Sept	1582-85	+45.0	1585-35
Nov	1570-80	+45.0	1560-25
January	1550-90	+52.5	—

Sales: 4,114 (6,594) lots of 50 tonnes.

ICS indicator prices for Jan. 3 (cents per pound): Other Mild Arabicas 171.17 (176.83); Robustas ICA 1976 169.34 (170.00); ICA 1968 169.46 (170.25). Unwashed Arabicas 213.00 (same). Comp. daily ICA 1968 187.45 (189.72).

GRAINS

LONDON GRAIN FUTURES — The market opened unchanged in all positions but nervousness in the country caused declines of 25p to 35p. Pressure was exerted on the January wheat and barley in the afternoon again and the market closed 60-40 down in the old crops, reported Acli.

	WHEAT		BARLEY	
M'nth	Yest'rdays close	+ or —	Yest'rday close	+ or —
Jan.	95.75	—0.60	92.85	—0.40
Mar.	99.85	—0.55	96.80	—0.55
May.	104.25	—0.55	100.95	—0.55
Sept.	97.80	—0.15	94.60	—0.25
Nov.	101.40	—0.15	98.10	—0.25

Business done—Wheat: Jan. 96.30-95.75, March 100.40-99.85, May 104.80-104.25, Sept. no trade, Nov. 101.45-101.40. Sales: 366 lots of 100 tonnes. Barley: Jan. 93.25-92.75, March 97.35-96.80, May 101.50-101.00, Sept. 94.85-94.45, Nov. 98.10-98.10. Sales: 218 lots of 100 tonnes.

IMPORTED—Wheat: U.S. Dark Northern Spring No. 2, 14 per cent., Jan. unquoted; Feb. 104.75, March 105.75 transhipment East Coast; U.S. Hard Winter, 13½ per cent. Feb. 104.75, March 105.75 transhipment East Coast. Maize: U.S. Jan. 119, Feb. 121, French Jan. 117, Feb. 118.50 East Coast: South African Yellow Jan. 82. Barley: English Feed fob Jan. 98, Jan.-March 100.25, April-June 105 East Coast. Rest unquoted.

HGCA — Locational ex-farm spot prices. Feed Barley, E. Midlands 92.20, N. East 92.80.

RUBBER

The London physical market opened steadier with fair interest throughout the day, closing quietly steady. Lewis and Peat reported a Malaysian godown price of 306 (305) cents a kg (buyer, January).

No. 1 R.S.S.	Yest'rdays Close	Previous Close	Business Done
Feb.	69.50-69.85	69.50-70.00	69.75-69.30
Mar.	70.50-70.60	70.50-70.90	70.50
Apr-Jne	72.15-72.25	72.00-73.05	72.90-71.90
Jly-Sept	74.40-74.45	74.85-75.00	74.90-74.10
Oct-Dec	76.45-76.50	76.90-77.00	76.90-76.30
Jan-Mar	78.55-78.75	78.30-79.40	78.50
Apr-Jne	80.70-80.85	81.50-81.70	80.75-80.70
Jly-Sept	85.00-83.15	83.60-85.95	85.00
Oct-Dec	85.55-85.50	85.75-86.00	85.50-85.15

Sales: 288 (457) at 15 tonnes; 326 (26) at 5 tonnes.

Physical closing prices (buyer) were: Spot 68.50p (same); Feb. 68.50p (68.75p); March 69.50p (70.00p).

SOYABEAN MEAL

The market opened with gains of around £1.00 on spill over short covering following Thursday's steadiness, reported T. G. Roddick. The market held steady throughout the day particularly in nearby February and prices finished with gains of £2 to 60p.

	Yest'rd'y Close	+ or —	Business Done
	£ per tonne		
February	121.70-22.0	+2.05	122.00-20.70
April	118.50-18.4	+0.55	118.90-17.50
June	117.80-18.0	+1.00	118.40-16.50
August	118.80-20.1	+1.80	120.20
October	118.00-18.2	+0.80	118.50-18.20
December	119.50-20.2	+1.05	120.00
February	120.00-25.0	—0.05	—

Sales: 95 (125) lots of 100 tonnes.

AMERICAN MARKETS

NEW YORK, January 4.

SILVER WAS limit up in a catch up move with the spot market. Gold was up sharply, although well below the best levels for the day. Heavy profit taking, as well as short selling by commission houses resulted in moderate losses for copper. The livestock complex came under local selling as indications of a sharp retail demand became more prevalent. Late selling in grains and soyabeans stimulated by rumours of longshoremen boycotting a Soviet vessel in the New York harbour, resulted in moderate losses for all months except new crop wheat which finished slightly higher. Short covering by locals and trade moved coffee prices sharply higher. Cocoa was mixed in a very inactive market. Continued liquidation in cotton carried the market to lower levels. Short covering in sugar resulted in a good price recovery over previous closes, Heinold reported.

Copper—Jan. 108.60 (111.00), Feb. 110.00 (112.30), March 111.50-111.80, May 111.70, July 112.00, Sept. 112.30, Dec. 112.80, Jan. 113.00, March 113.60, May 114.10, July 114.55, Sept. 115.00.

Potatoes (round whites)—March 61.2 (63.4), April 68.2 (70.5), May 78.1-78.3, Nov. —. Sales 379.

Tin—794.00-795.00 asked (787.00-795.00).

CHICAGO, January 4.

Lard—Chicago loose 22.00 (22.50). New York prime steam unavailable.

Live Cattle—Jan. 67.25-67.30 (68.25), Feb. 70.45-70.50 (71.52), April 72.90-73.05, June 74.50-74.65, Aug. 74.72-74.60, Oct. 73.20, Dec. 74.30, Jan. —.

Live Hogs—Feb. 42.80-42.95 (42.92), April 41.40-41.50 (42.10), June 45.50-45.40, July 46.40, Aug. 45.25-45.30, Oct. 44.20, Dec. 45.92, Feb. 47.00, April 46.00.

‡‡Maize—March 284-284¼ (286½), May 296½-297¼ (299), July 306-306¼, Sept. 311½, Dec. 315½-315¾, March 327¼.

Pork Bellies—Feb. 48.80-48.80 (49.40), March 49.10-49.25 (50.05), May 50.85-50.65, July 52.15, Aug. 51.65.

Silver—Jan. 3590.0-3600.0 (3640.0), Feb. 3255.0 (3135.0), March 3455.0, April 3308.5, June 3354.5, Aug. 3395.0, Oct. 3435.5, Dec. 3476.0, Feb. 3516.5, April 3556.9, June 3597.2, Aug. 3637.4, Oct. 3677.5, Dec. 3717.5, Feb. 3757.4, April 3797.2, June 3836.9, Aug. 3876.5.

‡Soyabeans—Jan. 642-643½ (647½), March 665-666 (670), May 687-688, July 707-707½, Aug. 715, Sept. 723, Nov. 733½-733, Jan. 748.

||Soyabean Meal—Jan. 180-00-180.60 (184.20), March 185.20-184.80, May 190.00-189.80, July 195.00-194.80, Aug. 197.30, Sept. 199.50, Oct. 201.60, Dec. 204.50, Jan. 205.50, March unquoted.

Soyabean Oil — Jan. 23.80-23.85 (23.93), March 24.25-24.20 (24.32), May 24.50-24.46, July 24.80-24.75, Aug. 24.95-25.00, Sept. 25.15-25.06, Oct. 25.25, Dec. 25.60, Jan 25.55, March 25.70.

‡Wheat—March 446-445 (462¼), May 456-455½ (456), July 464½-465, Sept. 479, Dec. 498, March 512½.

WINNIPEG, January 4. §Barley—March 123.00 (122.40), May 122.50 (121.80), July 120.10, Oct. 114.60.

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. || $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq. ft. ‡ Cents per dozen.

INDICES

FINANCIAL TIMES

Jan. 3	Jan. 2	M'nth ago	Year ago
296.03	295.98	294.40	257.04

(Base: July 1, 1952=100)

DOW JONES

Dow Jones	Jan. 3	Jan. 2	Month ago	Year ago
Spot	415.89	415.77	413.99	383.03
F'tur's	422.64	421.10	418.49	382.36

(Average 1924-25-26=100)

MOODY'S

Jan. 3	Jan. 2	M'nth ago	Year ago
1399.1	1390.5	1203.1	975.9

(December 31, 1931=100)

REUTERS

Jan. 4	Jan. 3	M'nth ago	Year ago
1702.7	1718.3	1702.3	1495.8

(Base: September 18, 1931=100)

SUGAR

LONDON DAILY PRICE (raw sugar): £167.00 (£172.00) a tonne cif for Jan.-Feb. shipment. White sugar daily price was £184.00 (£188.00).

Small losses were quickly erased and gains of £2.00 were recorded by mid-day. Rumours that the ISO executive committee would increase global quotas by 10 per cent equivalent to 1.3m tons of raw sugar again lowered prices to opening levels but the market remained buoyant with closing levels some £1.60 above the lows of the day, reported C. Czarnikow.

Sugar Pref. Comm. Con.	Yest'rdays Close	Previous Close	Business Done
	£ per tonne		
March	178.45-78.50	176.25-76.50	177.60-75.00
May	178.30-78.45	175.75-76.00	180.00-75.00
Aug.	178.15-78.50	176.50-76.00	179.25-76.00
Oct.	177.90-78.05	176.25-76.50	179.00-75.75

LONDON WHITE SUGAR—Close (in order buyer, seller, business, sales). Feb. 184.00, 188.00, 185.00-184.00, 5; April 186.00, 191.00, 187.00, 4; July 188.00, 193.00, nil, nil; Sept. 189.00, 195.00, nil, nil; Nov. 190.00, 196.00, nil, nil; Feb. 193.00, 200.00, nil, nil; April 193.00, 200.00, nil, nil. Sales: 9.

No. 4 CONTRACT—Close (in order buyer, seller only). May 177.25, 178.00; Aug. 177.00, 177.25; Oct. 177.00, 178.00; Jan. 176.00, 176.75; March 177.50, 178.50; May 177.50, 178.50. Sales: 338 (337).

Tate and Lyle ex-refinery price for granulated basis white sugar was £304.95 (same) a tonne for home trade and £245.50 (£248.50) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Prices for January 3: Daily price 14.75 (15.10); 15-day average 14.92 (14.87).

COTTON

LIVERPOOL—Spot and shipment sales amounted to 953 tonnes, bringing the total for the week to 1,218 tonnes, against 1,000 in the previous week. Large-scale demand came forward as prices continued to rise. Users wanted to ensure supplies of various American type qualities and operated accordingly.

*

GRIMSBY FISH—Supply poor, demand good. Prices at ship's side (unprocessed) per stone: Shell cod £8.00-£9.00, codling £4.50-£6.00; large haddock £5.40-£6.00, medium £3.60-£4.00; large plaice £5.40, best small £4.00-£4.50; large skinned dogfish £11.00, medium £9.50; rockfish £3.20; reds £1.70-£2.50; saithe £2.60-£3.00.

MEAT/VEGETABLES

MEAT COMMISSION—Average fatstock prices at representative markets on January 4. GB: Cattle 79.75p per kg. l.w. (−1.21). UK: Sheep 138.5p per kg. est. d.c.w. (−1.7). GB: Pigs 65.5p per kg. l.w. (−7.6).

COVENT GARDEN—Prices in sterling per package except where otherwise stated. Imported Produce: Oranges—Spania: Navel/Navelinas 3.80-4.40; Jaffa: Navels/Shamouti 50/189s 3.90-5.25; Greek: 2.30-3.00; Egyptian: 1.00-2.00. Satsumas—Spania: 95/189s 3.00-3.80. Clementines—Moroccan: 2/7s 3.40-4.00; Cypriot: 126/162 3.40-4.00; Corsican: 2.50-3.00. Lemons—Italian: 100/150s 5.30-5.50; Cypriot: 11 kg 84/130 3.60-5.50; 5 kg 45/55 2.20-2.50. Grapefruit—Cypriot: 2.60-3.40; 20 kg 4.00-4.60; Jaffa: Large boxes 40-64 4.25-4.80; Florida: Pink flesh 36/48s 5.80-6.00. Sours/Bitters—Spanish: 4.20-4.50.

APPOINTMENTS

Senior post at Hutchison Whampoa

Mr. John A. Richardson has been appointed deputy chief executive officer of the HUTCHISON WHAMPOA group. He was previously the group's operations director. Following the retirement of Mr. S. R. Bullen, group secretary since 1968, Mr. Nigel B. Rafe has been appointed as group treasurer and secretary. Mr. Rafe will continue as an executive board member of HWL.

Mr. Robin Ludlow has been appointed a director of BOYDEN INTERNATIONAL, executive search consultants. He was formerly a director of Kiernan and Co.

★

EUCALYPTUS PULP MILLS has appointed the Marquess of Douro a director. Mr. John Chatwin has been appointed managing director of Companhia de Celulose do Caima SARL in Portugal, a subsidiary of Eucalyptus Pulp Mills.

★

Mr. J. C. Cumming, currently managing director of Medical Insurance Agency, becomes chief executive of EDWARD LUMLEY (UK) on January 7.

★

Mr. David B. Wain has been reappointed chairman of the INLAND WATERWAYS AMENITY ADVISORY COUNCIL for two years.

★

HENDERSON BARING MANAGEMENT, the Hong Kong-based investment management group, has formed a representative office in London at 88 Leadenhall Street. Mr. Jonathan J. K. Taylor has been seconded as representative by Baring Brothers and Co.

★

In connection with the merger of TERRA NOVA INSURANCE COMPANY and Intercontinental Reinsurance Company, the following changes in the Board of Terra Nova have taken place. Mr. P. L. B. Stoddart, Mr. M. E. Jenner and Mr. T. L. G. Landon have resigned as directors. Mr. J. W. Ramplin has resigned as a chairman but continues as a director. Several additional directors have been appointed and the Board is now as follows: Mr. F. D. Watkins (chairman), Mr. I. R. Binney (deputy chairman), Mr. J. Riddick (managing director), Mr. A. H. Anderson, Mr. O. R. Arton, Mr. W. O. Bailey, Mr. M. Du Bain, Mr. P. J. Bloemen, Mr. E. H. Budd, Mr. B. T. Grimes, Mr. W. R. Kempe, Mr. B. L. Murgatroyd, Mr. R. M. Murray, Mr. J. W. Ramplin, Mr. F. J. Tasco.

★

President of the CANADA-UK CHAMBER OF COMMERCE during 1980 will be Mr. Aiden Robinson, succeeding Mr. D. R. Edwards. Mr. Robinson is managing director of Woodward Stores (London).

★

Mr. Michael J. Tangney has been appointed to the Board of SVENSKA CELLULOSA (UK). He was previously sales manager for printing paper and will take over the responsibilities for the sales of woodpulp in the UK.

★

Mr. M. A. G. Linck has retired from COMMERCIAL UNION ASSURANCE COMPANY because of ill-health. Mr. Linck has served the company since 1951 in various territories and capacities, culminating in his current post as general manager, overseas division. He will remain to facilitate the take-over of his position by Mr. L. W. Hammick. Mr. A. F. Burdett has been appointed general manager, corporate planning.

★

Mr. Colin Mellors, at present *assistant general manager*, BARCLAYS BANK INTERNATIONAL, Africa Line will be moving to Rhodesia as senior general manager of BBI there. Mr. Don Payne succeeds Mr. Mellors as assistant general manager, Africa. He was previously assistant general manager (staff). Mr. Alastair Fairlie is Barclays Group representative in a newly opened office in Bombay, India. Mr. Fairlie moves to Bombay after similar appointments in the Middle East.

★

Mr. G. F. Johnstone, Mr. M. J. Richardson and Mr. L. J. Beeston have been appointed directors of R. W. STURGE (MOTOR UNDERWRITING).

★

Mr. F. T. Roberts, controller of investment and banking for NATIONAL GIROBANK, has been promoted to investment adviser. Mr. Paul Gottlieb, deputy controller of investment and head of banking, replaces Mr. Roberts as controller of investment and banking.

★

Mr. D. E. Fellows has been appointed a director and Mr. T. J. L. Richards a director and general manager and actuary, of PRUDENTIAL PENSIONS. Mr. R. S. Skerman has retired from the Board.

★

The financial director of Dan-Air Services, Mr. Wilf Jones, has been appointed to the Board of DAVIES & NEWMAN HOLDINGS, the parent company.

★

Mr. R. H. Cooper has been appointed managing director of SIMON-SOLITEC, Gloucester. He was previously director and general manager. Mr. W. R. A. Palmer has been appointed financial and commercial director. He was previously financial and commercial manager. Mr. B. C. McGee has been appointed technical director of HENRY SIMON, Stockport. He was previously technical manager. Mr. L. Cannon has been appointed contracts director of SIMON FOOD ENGINEERS, Stockport. He was previously contracts manager. The companies are all Simon Engineering subsidiaries.

Mr. Paul S. Vincent, company secretary and director of subsidiaries, joins the main Board of the METAL BULLETIN GROUP as finance director.

★

Mr. Ian MacGregor has been appointed managing director of APEX TRAVEL, London. The company has recently gone into partnership with Elkington Securities, a Mayfair-based property company.

★

Mr. Simon Everard, currently vice-chairman, will succeed his brother Mr. Anthony Everard, as chairman of ELLIS AND EVERARD on April 30. Mr. Geoffrey Sykes and Mr. Peter Wood have been appointed to the Board. Mr. A. Everard remains on the Board and becomes the company's first president.

★

Mr. J. W. E. Helliwell has been apointed deputy managing director of TRIPLEX SAFETY GLASS COMPANY.

★

Mr. Ian Emeny has been appointed sales director of J. R. PHILLIPS AND CO., following the retirement of Mr. R. S. M. Laird. Mr. Roger B. Robinson becomes general sales manager and Mr. Michael W. Styrka London sales manager.

★

Mr. John S. Fraser, managing director and chief executive of Ilford has been appointed to the Board of CIBA-GEIGY (UK). Ilford is a wholly owned subsidiary of Ciba-Geigy (UK).

★

Mr. Malcolm Hughes, has been made fleet sales and leasing director of BEWAC MOTORS, Mansfield, part of the Inchcape Group.

★

Unitech as director of finance. Mr. T. M. Curtis has been appointed to the UNITECH Board.

★

Mr. Ross C. Heward has been appointed an assistant director of DENIS M. CLAYTON, insurance brokers.

★

Mr. Geoffrey L. Lawrence is appointed managing director of the ZENITH CARBURETTER COMPANY. Mr. J. G. Dawson remains as chairman and chief executive of the group.

★

Mr. Ralph Deglow has been appointed to the Board of ALLIED INSURANCE BROKERS GROUP. Mr. David Price joins the Board of Allied Insurance Brokers.

★

Mr. D. E. T. Tanfield, having reached retirement age, has resigned his chairmanship and directorship of CRAFTCENTRE CYMRU GROUP CYF., of Porthmadog. Mr. D. J. B. Lewis has been appointed chairman, in addition to his chairmanship of Craftcentre Cymru Cyf., and Craftcentre Cymru (Manufacturing) Cyf.

★

The Gallaher Group has formed a new company, GALLAHER TOBACCO, a management company to control its UK tobacco business. Mr. W. Derek K. Wilson will be the managing director and chief executive. The other directors are: Mr. W. P. Miller, production director; Mr. A. H. Clark, finance director; Mr. D. R. Hare, marketing director; Mr. J. C. S. Mason, development director; Mr. G. Henderson, personnel director; and Mr. J. R. Taylor, sales director. Mr. S. G. Cameron, chairman of the Group, will be the chairman of Gallaher Tobacco. Mr. Wilson and Mr. Miller are directors on the Group Board.

★

At the BANK OF SCOTLAND head office Mr. B. F. Yeaman, manager, management services, has been appointed an assistant general manager. Mr. D. C. Gibson, assistant manager, management services, has been redesignated a manager. Mr. I. A. Watt, manager, investment services, has been appointed manager, investment services and pension funds investment manager. Mr. R. D. Ellis, an assistant manager, investment services, has been redesignated private clients manager.

★

Mr. B. A. Carter has been appointed managing director of COMPAIR MAXAM, Camborne, Cornwall. He was previously marketing director of CompAir Industrial, and succeeds Mr. J. A. Henderson, who is remaining on the Board in a non-executive capacity.

★

TURNER AND NEWALL announces the early retirement, on medical advice, Mr. W. R. Crompton from the Board of its subsidiary Ferodo.

★

BRITISH AEROSPACE AIRCRAFT GROUP announces the following divisional appointments: At Weybridge-Bristol division—following the retirement of Mr. W. R. Coomber, divisional resources director and site director (Hurn), and the transfer of Mr. A. E. Rowland, divisional production director and site director (Weybridge), to the Hatfield-Chester division, the following appointments are effective:—Mr. W. M. Brady, executive director and general manager (Hurn); Mr. J. H. Rainford, executive director, production (Hurn); Mr. B. G. Thomas, divisional production director and Rombac project director; Mr. K. Bentley, general manager (Weybridge), in addition to his present responsibility as divisional technical director; and Mr. D. Wynne, divisional financial and resources director.

At Hatfield-Chester division: Mr. A. E. Rowland has been appointed divisional director and deputy general manager (Chester), with special responsibility for Airbus production programmes.

At Kingston-Brough division:—following the retirement of Mr. A. E. Lane, divisional resources director and general manager (Hamble) the following appointments are effective:—Mr. D. F. Corbert, divisional director and general manager (Hamble); and Mr. A. C. Barber, executive director and deputy general manager (Hamble).

★

Mr. W. W. Hedley has resigned by mutual agreement from the Board of BURRELL AND CO. Mr. M. C. Ashworth, who was previously non-executive chairman becomes executive chairman, and Mr. D. R. King is appointed to the Board. Dr. E. R. Inman has resigned by mutual agreement from the Board of the operating subsidiary company, Burrell Colours.

★

Mr. John Marsh becomes sales and deputy managing director of ENGLISH ROSE KITCHENS, Warwick, a Harris and Sheldon group company. Two new directors are, Mr. David Monk and Mr. Harry Hammond.

★

Mr. Richad Byron Caws has been reappointed as a Crown Estate Commissioner.

★

Mr. Eldon Griffiths has been appointed public affairs adviser to GROUP 4 TOTAL SECURITY. He replaces Mr. Norman Fowler, who resigned the post following his appointment in May as Minister of Transport.

★

Mr. M. E. Burn, managing director of Godwins (Midlands and West) has been appointed a director of GODWINS.

★

At PORTALS (currency papermaking)—Mr. J. E. F. Lloyd has ben appointed deputy managing director and Mr. C. P. Cardiff export sales director to succeed Mr. P. W. Mathews who remains on the Board as overseas adviser. At Portals (Ryburndale)—lightweight papermaking—Mr. M. H. Farage has been appointed managing director, and Mr. A. Ash has been appointed works director. The companies are all part of Portals Holdings.

★

Mr. Brian Bolam has been appointed managing director of the foundries division of S. RUSSELL AND SONS, part of the B. Elliott Group. For the last 15 years Mr. Bolam has been with Hemel Hempstead Engineering Company, a member of the Camford Engineering Group.

★

Mr. Simon Laverack becomes general manager and Mr. Michael Lever sales manager of PAND-AIR.

Mr. H. C. A. Robinson has been appointed financial director of LIQUIDS POWDERS AND GAS TRANSPORT COMPANY, Batley, West Riding. He was previously company secretary and he will continue to hold this office.

★

Mr. Colin Wilson has been appointed to the board of SCHOLEFIELD, GOODMAN AND SONS with responsibility for Australasian confirming.

★

CALEDONIAN HOTEL MANAGEMENT (CHM), British Caledonian's associate hotel company, has appointed Mr. Wilhelm Mentink as managing director, on a part time basis until March 1 when he will take on his full time duties from Mr. Pedro Prats, who is leaving for a post in the U.S.

★

Mr. Nick Winks will be appointed to the board of NORPRINT, Boston, Lincolnshire, as production director.

★

Mr. J. C. T. Hackett, has become director, Mr. A. H. Prebble, commercial director and Mr. M. J. Kershaw, contractual director at the BRITISH CONSTRUCTIONAL STEELWORK ASSOCIATION.

★

Mr. A. C. Butterfield has been appointed a director of BAXTER FELL AND CO. (TOWER WHARF).

★

Mr. D. G. Pinder-White has been appointed managing director of Chiswick Garage, and Mr. J. Greenhalgh has been appointed managing director of Bedwas Bodyworks, both companies being subsidiaries of SECURICOR GROUP.

★

NORTH CAROLINA NATIONAL BANK, London, has appointed Mr. Bernard A. Furlonger a senior vice president, and Mr. Harald Hamerton-Stove is appointed a vice president. Carolina Bank, the wholly-owned merchant bank subsidiary, has appointed Mr. Douglas Coulton an assistant vice president.

★

At KCA INTERNATIONAL Mr. S. Bradshaw-Mack has been appointed a director; at KCA Drilling Mr. A. C. Barnard has been appointed managing director; and at B. W. Mud Mr. D. J. Christie and Mr. A. J. Kirkness have been appointed executive directors. All are KCA Group companies.

EUROPEAN OPTIONS EXCHANGE

Series		Jan. Vol.	Jan. Last	April Vol.	April Last	July Vol.	July Last	Stock
ABN C	F.320	—	—	3	5.20	—	—	F.306
AKZ C	F.22.50	—	—	121	2.60	15	3	F.23.60
AKZ C	F 25	—	—	107	1.60	41	2	"
AKZ C	F.27.50	—	—	29	0.60	10	0.90	"
AKZ P	F.25	—	—	1	2.80	25	1.70	"
AKZ P	F.27.50	17	4.30	—	—	—	—	"
AKZ P	F.30	—	—	1	7.30	—	—	"
ARB C	F.65	—	—	5	3	—	—	F.65.50
EK C	$50	5	1/8	—	—	—	—	$46 5/8
HO C	F.22.50	10	0.20	20	1.50	5	2.40	F.21.70
IBM C	$60	50	3 3/4	10	6 1/4	—	—	$63 1/4
IBM C	$65	—	—	—	—	40	5 5/8	"
KLM C	F.70	77	2.30	56	5.70	85	7.80	F.71.50
KLM C	F.80	5	0.20	6	1.90	65	3.70	"
KLM C	F.90	—	—	20	0.90	—	—	"
KLM C	F.100	34	0.10	—	—	—	—	"
KLM P	F.70	95	1.50	38	4	42	6	"
KLM P	F.80	51	8.80	11	9.50	8	11	"
KLM P	F.90	1	20.50	11	19.20	—	—	"
NN C	F.100	—	—	4	21.50	—	—	F.118.50
NN C	F.110	—	—	4	13	—	—	"
NN C	F.115	15	4.30	—	—	—	—	"
NN C	F120	5	0.80	—	—	10	6	"
PET C	Fr.5500	9	180	—	—	—	—	Fr.5650
PET C	Fr.6000	21	20	2	190	5	390	"
PHI C	F.20	—	—	123	1.90	35	2.10	F.20.60
PHI C	F.22.50	—	—	20	0.70	58	1	"
PHI C	F.25	—	—	15	0.30	—	—	"
PHI P	F.22.50	27	2.10	—	—	5	2.10	"
PRD C	$30	—	—	1	1 5/8	—	—	$26 7/8
PU C	F.260	—	—	—	—	10	34	F.261
RD C	F.140	60	6.50	37	11.50	—	—	F.145.80
RD C	F.145	176	3.10	63	8.40	—	—	"
RD C	F.150	151	1	51	5.40	16	7	"
RD C	F.160	39	0.10	38	2.50	14	3.40	"
RD P	F.140	22	0.40	17	1.80	—	—	"
RD P	F.145	108	1.10	12	3.30	—	—	"
RD P	F.150	87	4.30	18	5.70	—	—	"
RD P	F.160	50	14.60	40	14.20	15	16.20	"
UNI C	F.120	—	—	20	2.90	32	4	F.115
		Feb.		May		Aug.		
BA C	$40	1	10 7/8	—	—	—	—	$51 3/8
OXY C	$25	12	2 5/8	12	3 5/8	—	—	$26 1/4
SLB C	$80	—	—	68	16	—	—	$92 1/2

TOTAL VOLUME IN CONTRACTS 2636

C=Call P=Put

BASE LENDING RATES

A.B.N. Bank	17 %	■ Hambros Bank	17 %
Allied Irish Bank	17 %	■ Hill Samuel	§17 %
Amro Bank	17 %	C. Hoare & Co.	†17 %
American Express Bk.	17 %	Julian S. Hodge	18 %
A P Bank Ltd.	17 %	Hongkong & Shanghai	17 %
Henry Ansbacher	17 %	Industrial Bk of Scot.	17½%
■ Arbuthnot Latham	17 %	Keyser Ullmann	17 %
Associates Cap. Corp.	17 %	Knowsley & Co. Ltd.	18½%
Banco de Bilbao	17 %	Lloyds Bank	17 %
Bank of Credit & Cmce.	17 %	London Mercantile	17 %
Bank of Cyprus	17 %	Edward Manson & Co.	18 %
Bank of N.S.W.	17 %	Midland Bank	17 %
Banque Belge Ltd.	17 %	■ Samuel Montagu	17 %
Banque du Rhone et de la Tamise S.A.	17½%	■ Morgan Grenfell	17 %
Barclays Bank	17 %	National Westminster	17 %
Bremar Holdings Ltd.	18 %	Norwich General Trust	17 %
Brit. Bank of Mid. East	17 %	P. S. Refson & Co.	17 %
■ Brown Shipley	17 %	Rossminster	17 %
Canada Perm't Trust	17 %	Ryl. Bk. Canada (Ldn.)	17 %
Cayzer Ltd.	17 %	Schlesinger Limited	17 %
Cedar Holdings	17 %	E. S. Schwab	17 %
■ Charterhouse Japhet	17 %	Security Trust Co. Ltd.	18 %
Choulartons	17 %	Shenley Trust	19 %
C. E. Coates	17 %	Standard Chartered	17 %
Consolidated Credits	17 %	Trade Dev. Bank	17 %
Co-operative Bank	*17 %	Trustee Savings Bank	17 %
Corinthian Secs.	17 %	Twentieth Century Bk.	17 %
The Cyprus Popular Bk.	17 %	United Bank of Kuwait	17 %
Duncan Lawrie	17 %	Whiteaway Laidlaw	17½%
Eagil Trust	17 %	Williams & Glyn's	17 %
E. T. Trust Limited	17 %	Yorkshire Bank	17 %
First Nat. Fin. Corp.	18½%		
First Nat. Secs. Ltd.	18 %		
Robert Fraser	18 %		
■ Antony Gibbs	17 %		
Greyhound Guaranty	17 %		
Grindlays Bank	‡17 %		
■ Guinness Mahon	17 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 15%, 1-month deposits 15¼%.
† 7-day deposits on sums of £10,000 and under 15%, up to £25,000 15¼% and over £25,000 15½%.
‡ Call deposits over £1,000 15%.
§ Demand deposits 15%.

CORAL INDEX: 411-416 (+7)

INSURANCE BASE RATES

† Property Growth 15½%
† Vanbrugh Guaranteed 14.5%

† Address shown under Insurance and Property Table.

Stock Exchange dealings

Thursday, January 3	19,955
Wednesday, January 2	14,059
Tuesday, January 1	—
Monday, December 31	12,564
Friday, December 28	14,397
Thursday, December 27	8,945

The list below gives the prices at which bargains were done by members of the Stock Exchange and recorded in last Thursday's Stock Exchange Daily Official List. For those securities not marked in Thursday's List, we show the latest markings recorded during the previous four business days; these are distinguished by the dates shown in parentheses.

The number of dealings marked on Thursday in each section follows the name of the section. Unless otherwise denoted, shares are £1 fully paid and stock £100 fully paid.

Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 2.15 pm only, but later transactions can be included in the following day's Official List. The figures shown above, on the other hand, are the total number of bargains transacted in all securities up to 3.30 pm. No indication is available as to whether a bargain represents a sale or purchase. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

‡ Bargains at Special Prices. Δ Bargains done with or between non-members. ● Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ♣ Bargains done for delayed delivery or "no buying-in." $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

BRITISH FUNDS (521)

Pf. 30. 7½pcLn. 1995-99 52½● ½. 11pcLn. 187
Whitbread Investment (25p) 108●
Wolverhampton Dudley Breweries (25p) 269●
Young Brewery A Ord. (50p) 159●

CORPORATIONS (25)

PUBLIC BOARDS (10)

COMMONWEALTH GOVTS. (10)

FOREIGN STOCKS (4)

STERLING FOREIGN CURRENCY BONDS

BANKS (96)

BREWERIES (89)

COMMERCIAL (1,452)

A—B

Cawdaw Indl. (25p) 27 (31/12)
Celtic Haven (5p) 9 8
Cement-Roadstone (25p) 79½ (2/1)
Central Sheerwood (5p) 24
Central Mfg. Tdg. (10p) 55 (31/12)
Centreway (50p) 154
Chamberlain Phipps (10p) 42½
Change Wares (10p) 8. 12pcPfd. (10p) 10½ 9½
Channel Tunnel Invs. (5p) 105 (28/12)

C—D

C.H. Industrials (10p) 23
Cadbury Schweppes (25p) 54● 4 ½
Cape Indust. (25p) 224
Capper-Neill (10p) 54
Carless Capel Leonard (10p) 78 7 9 82
Carpets Intnl. (50p) 25●
Carrington Viyella (25p) 18
Carr's Milling Indust. (25p) 79●
Castings (10p) 40●
Cattle's (Hldgs.) (10p) 27 (31/12)
Cavenham 10pc1stPf. 83½ (28/12). 10pc Ln. 67½ (31/12)

E—F

G—H

Goldberg (A.) Sons (25p) 66 (31/12)
Gomme Hldgs. (25p) 43 (2/1)
Goodkind (W.) Sons (10p) 25 (28/12)
Gordon (Luis) Group (10p) 50●
Grand Metropolitan (50p) 124● 4 3 5. 5pcPf. 33. 5½pcPf. 4. 10pcUnsec. Ln. 70
Grattan Warehouses (25p) 102 97
Great Universal Stores A (25p) 338 7 8
Green's Economy Group (25p) 97
Gripperrods Hldgs. (10p) 133
Guest Keen Nettlefolds 242● 1● 31 2
Guest Keen Nettlefolds (UK) 10½pcGtd. Db. 74¼ (31/12)

I—J—K

L—M

N—O—P

Q—R—S

ACTIVE STOCKS

YESTERDAY—

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1979-80 high	1979-80 low
Rustenburg Plat.	R0.10	17	254	−21	275	94
Cons. Gold Fields	25p	16	414	− 4	422	178
Anglo Amer. Crp.	R0.10	15	640	−70	720	300
De Beers Defd.	R0.05	13	470	−14	500	332
Racal Electronics	25p	10	190	+15	276	168½
Harmony	R0.50	9	745	−75	885	265
ICI	£1	9	358	+ 4	415	314
RTZ	25p	8	340	−12	362	226
West Drie.	R1	8	£31	− 1½	£33½	£17½
Charter Cons.	2p	7	144	− 4	148	69
GEC	25p	7	335	+ 7	456	311
GKN	£1	7	241	+ 4	308	226
North Kalgurli	$A0.30	7	48	− 5	53	4½
Vickers	£1	7	106½	+ 7	210	98
Barclays Bank	£1	6	418	+ 6	514	360

ON THE WEEK—

Stock	Denomination	No. of marks	Closing price (p)	Change on week	1979-80 high	1979-80 low
Cons. Gold Fields	25p	50	414	+32	422	178
Anglo Amer. Crp.	R0.10	42	640	+55	720	300
Rustenburg Plat.	R0.10	42	254	+46	275	94
De Beers Defd.	R0.05	40	470	+49	500	332
ICI	£1	32	358	− 2	415	314
North Kalgurli	$A0.30	32	48	+ 8	53	4½
RTZ	25p	31	340	+14	362	226
Harmony	R0.50	30	745	+56	885	265
Impala Plat.	R0.20	30	250	+20	280	138
GEC	25p	29	335	—	456	311
GKN	£1	28	241	−11	308	226
Racal Electronics	25p	27	190	+ 4	276	168½
P. & O. Defd.	£1	25	116	+ 5	119	71
Tebbitt	10p	25	17	+ 9	17	7½
Shell Transport	25p	24	320	− 8	402	278

Now tea bags go metric

TEA AND tea bags are now being prepacked only in metric sizes and the main changeover in the shops will take place in the next two months, the Metrication Board said yesterday. From June 29, 1980, all prepacks will be sold in metric quantities.

The most commonly available sizes of the new packs are 125 grams, replacing quarter pound, and 250 grams replacing the half pound. These new packs weigh just over 10 per cent more than those they replace. Most boxes of tea bags will hold 80 bags instead of 72, or 160 instead of 144.

RULE 163 (3)

Bargains marked for approved companies engaged solely in mineral exploration.

JANUARY 3

Candecca Resources 99 7
CCP North Sea Associates 213 10
Cluff Oil 400 397 5 95
Siebens Oil and Gas (UK) 410 6 2 400 396 4 2
Viking Oil 605 600

JANUARY 2

Candecca Resources 101 99 7
CCP North Sea Assoc. 220
Cluff Oil 405 400 395 90
Siebens Oil and Gas (UK) 408 8
Viking Oil 615

DECEMBER 31

Candecca Resources 100 98 6
CCP North Sea Assoc. 225 18
Cluff Oil 400, 395, 90, 85, 80, 75
Gas and Oil Acreage 380
Siebens Oil and Gas (UK) 418 16 12
Viking Oil 610, 5 590

DECEMBER 28

CCP North Sea Assoc. 222 20 17 15
Cluff Oil 375 70
Cluff Oil New 360
Siebens Oil and Gas (UK) 416 14 12 10 8 2
Viking Oil 585

(By permission of the Stock Exchange Council)

CURRENCIES, MONEY AND GOLD

UK MONEY MARKET

Bank of England Minimum Lending Rate 17 per cent (since November 15, 1979)

The Treasury bill rate rose slightly at yesterday's tender to *15.8434 per cent, a rise of* 0.0013 per cent and the minimum accepted bid for 91-day bills was unchanged at £96.05. There were no tenders accepted for 92-day bills. The £300m bills on offer attracted bids of £514.595m and bids at that level were met as to *about 44 per cent, with all* bills offered being allotted. Next week a further £300m will be on *offer*

Day to day credit was in adequate supply in the money market yesterday, and the authorities did not intervene. The market was faced with a moderate excess of revenue transfers to the Exchequer over Government disbursements but *this was balanced by a small fall* in the note circulation and banks bringing forward balances a large way above target. Discount houses were paying 15¾ per cent for secured call loans at the start but rates soon fell, with closing balances taken between *11 per cent* and 13 per cent.

Rates in the table below are nominal in some cases.

EXCHANGES AND BULLION

The dollar recovered slightly in currency markets yesterday reacting to a sharp reverse in the gold price. The U.S. unit started *to improve* in early trading as gold fell, but finished well below its best level, as sentiment remained bearish over the situation in the Middle East. Against *the D-mark it finished* at DM 1.7110, slightly firmer than Thursday's close of DM 1.7105 but down from its best level of DM 1.7180. In terms of the Swiss franc it closed at SwFr 1.5775 against SwFr 1.5710. The yen improved considerably *on the possible settlement of* fresh oil contracts with Iran, and the dollar fell to Y234.5 from Y238.20. *On Bank of England* figures its trade weighted index eased to 84.4 from 84.5.

Sterling was slightly weaker overall with its trade weighted index at 70.3 at *all three* calculations, and compared with Thursday's close of 70.5. Against the *dollar it opened* at $2.2375 and fell initially to $2.2300 before recovering to $2.2350 around lunch time. During the afternoon the rate touched $2.2410 and finished at $2.2370-2.2380.

Gold reacted sharply to its recent rise in the bullion market and fell $40 an ounce to finish at $585-595.

THE POUND SPOT AND FORWARD

Jan. 4	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.2300-2.2410	2.2370-2.2380	0.36-0.26c pm	1.66	1.25-1.15 pm	2.14
Canada	2.6080-2.6200	2.6135-2.6145	0.72-0.62c pm	3.07	1.90-1.80 pm	2.83
Nethlnd.	4.21½-4.25½	4.22¾-4.23¾	2-1c pm	4.25	6-5 pm	5.20
Belgium	62.15-62.50	62.35-62.45	17-7c pm	2.30	41-31 pm	2.30
Denmark	11.93½-12.00½	11.98½-11.99½	¼ore pm-1¾ dis	−0.75	2-4 dis	−1.00
Ireland	1.0345-1.0405	1.0390-1.0400	0.07-0.17p dis	−1.38	0.20-0.30dis	−0.96
W. Ger.	3.81½-3.85	3.82½-3.83½	3½-2½pf pm	9.40	8¾-7¾ pm	8.48
Portugal	110.10-111.10	110.80-111.00	15-65c dis	−4.33	40-140 dis	−3.25
Spain	147.35-148.00	147.80-147.90	45-95c dis	−5.68	95-195 dis	−3.92
Italy	1790-1798	1796½-1797½	6-8lire dis	−4.67	15-17 dis	−3.56
Norway	10.95½-11.02½	11.00-11.01	5-3ore pm	4.36	11¾-9¾ pm	3.91
France	8.95½-9.01½	8.99-9.00	3-2c pm	3.33	6¾-5¾ pm	2.78
Sweden	9.23½-9.28½	9.27¾-9.28¾	3½-1½ore pm	3.23	8-6 pm	3.02
Japan	520-535	524-527	4.35-3.90y pm	9.44	11.25-10.85pm	8.43
Austria	27.50-27.65	27.60-27.65	18-8gro pm	5.65	52-42 pm	6.80
Switz.	3.51½-3.55	3.52½-3.53½	3⅞-2⅞c pm	11.47	9¾-8¾ pm	10.48

Belgian rate is for convertible francs. Financial franc 64.40-64.50. Six-month forward dollar 2.23-2.13c pm. 12-month 4.35-4.25c pm.

GOLD

	January 4		January 3	
Gold Bullion (fine ounce)				
Close	$585-595	(£261266)	$625-635	(£279-284)
Opening	$605-615	(£270-275)	$630-630	(£277½-281¾)
Morning fixing	$596	(£266,285)	$632	(£281,577)
Afternoon fixing	$588	(£262.770)	$634	(£282.468)
Gold Coins				
Krugerrand	$635-650	(£284-294)	$646-661	(£288-294)
Mapleleaf	$620-635	(£280-290)	$644-659	(£287-293)
New Sovereigns	$155-160	(£68-72)	$164-166	(£73-75)
King Sovs	$170-180	(£76-81)	$165-175	(£73½-77½)
Victoria Sovs	$170-180	(£76-81)	$165-175	(£73½-77½)
Fr 20 Napoleon	—	—	—	—
50 pesos Mexico	$745-755		$785-795	
100 Cor. Austria	$598-605		$620-630	
$20 Eagles	$720-740		$730-750	
$10 Eagles	—		—	
$5 Eagles	—		—	

EXCHANGE CROSS RATES

Jan. 4	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.238	3.830	524.5	8.995	3.530	4.233	1797.	2.614	62.40
U.S. Dollar	0.447	1.	1.712	234.4	4.020	1.578	1.892	803.1	1.168	27.89
Deutschemark	0.261	0.584	1.	136.9	2.349	0.922	1.105	469.2	0.683	16.29
Japanese Yen 1,000	1.907	4.266	7.302	1000.	17.15	6.730	8.070	3426	4.984	119.0
French Franc 10	1.112	2.487	4.258	583.1	10.	3.924	4.705	1998.	2.906	69.37
Swiss Franc	0.283	0.634	1.085	148.6	2.548	1.	1.199	509.1	0.741	17.68
Dutch Guilder	0.236	0.529	0.905	123.9	2.125	0.834	1.	424.6	0.618	14.74
Italian Lira 1,000	0.556	1.245	2.131	291.9	5.006	1.964	2.355	1000.	1.455	34.72
Canadian Dollar	0.383	0.856	1.465	200.7	3.441	1.350	1.619	687.5	1.	23.87
Belgian Franc 100	1.603	3.586	6.138	840.5	14.42	5.657	6.783	2880.	4.189	100.

LONDON MONEY RATES

Jan 4 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ⊕	Eligible Bank Bills ⊕	Fine Trade Bills ⊕
Overnight	—	4-16⅜	—	—	—	15⅝	9-16	—	—	—
2 days notice	—	—	16⅝-16⅞	—	—	—	—	—	—	—
7 days or 7 days notice	—	16-16¼	17-17⅛	—	17⅜	16¾	15⅛-16⅛	—	—	—
One month	17-16⅞	16⅞-16⅞	16⅞-17	18-17¾	17⅜	17¼	16⅛-16⅝	15¾	17⅛-17⅛	17¼
Two months	17-16⅞	16⅞-17	—	17⅝-17¼	17⅜	—	16⅜-16⅛	15⅞	16⅞	17⅛
Three months	17-16⅞	16⅞-17⅛	16⅞-17	17¼-16⅞	17⅜	17⅜	16⅝-16½	15⅞-15⅞	16⅝	17
Six months	16½-16⅜	16⅞-16⅝	16⅜-16⅝	16⅝-16⅛	16⅞	—	—	—	15½	16¼
Nine months	15⅝-15½	15⅝-15¾	—	16⅛-15⅞	16¼	—	—	—	—	—
One year	15¼-15⅛	15¼-15⅝	15⅝-15¾	15⅝-15⅜	16	—	—	—	—	—
Two years	—	—	15⅝	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice others seven days fixed. * Long-term local authority mortgage rates nominally three years 15¾-15½ per cent; four years 15⅝-15½ per cent; five years 15⅞-15⅞ per cent. ⊕ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 16⅝-16⅞ per cent; four-month trade bills 16¾ per cent.

Approximate selling rates for one-month Treasury bills 15⅝ per cent; two-month 15⅜ per cent; three-month 15⅞-15⅞ per cent. Approximate rates for one-month bills 17 per cent; two-month 16¾ per cent; three-month 16½-16⅝ per cent; one-month trade bills 17 per cent; two-month 16⅞ per cent and three-month 16¾ per cent.

Finance Houses Base Rates (published for the Finance Houses Association) 17 per cent from January 1, 1980. *Clearing Bank Deposit Rates* for sums at seven days' notice 15 per cent. Clearing Bank Rates for lending 17 per cent. Treasury Bills: Average tender rates of discount 15.8434 per cent.

CURRENCY MOVEMENTS

Jan. 4	Bank of England Index	Morgan Guaranty changes %
Sterling	70.3	−35.9
U.S. dollar	84.4	−8.7
Canadian dollar	80.8	−17.2
Austrian schilling	158.5	+24.0
Belgian franc	115.5	+14.1
Danish kroner	109.8	−2.3
Deutsche mark	159.1	+47.1
Swiss franc	204.4	+83.8
Guilder	126.2	+20.7
French franc	102.6	−5.3
Lira	55.0	−49.9
Yen	119.5	+19.1

Based on trade weighted changes from Washington agreement December, 1971 (*Bank of England Index=100*).

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one month 14.25-14.35 per cent; three months 14.25-14.35 per cent; six months 14.15-14.25 per cent; one year 12.90-13.00 per cent.

Jan. 4	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	16⅞-17⅛	14-14¼	12½-13½	11⅝-11⅞	6½-7½	7⅛-7¼	11⅞-12¼	12-15	—	1⅞-8⅛
7 days' notice	16⅞-17⅛	14⅛-14⅝	12½-13½	11⅝-11⅞	5¼-5¾	7⅛-7⅛	12¼-12½	20-23	14⅛-14⅛	5¾-7
Month	17-17¼	15⅛-15⅛	13⅝-14	11⅞-12⅛	5⅛-5⅝	7⅞-8	13½-13¾	20½-23½	14⅜-14½	7⅛-8⅛
three months	17-17¼	14⅞-14⅞	13⅝-14	11¾-12	5⅝-5½	8⅛-8⅜	13⅞-14⅛	19½-19¾	14⅝-14½	7⅞-8⅛
six months	16⅞-17⅛	14⅞-14⅞	13⅜-13¾	11¼-11½	5⅞-6	8⅛-8⅜	13⅞-14⅛	19-20½	14⅜-14½	8⅝-8⅞
one year	15⅝-15⅞	13-13¼	12¼-12⅝	10⅜-10⅝	5⅝-5¾	8-8⅛	13⅝-13⅞	18½-19½	12⅛-13⅛	7⅝-8¼

Long-term Eurodollar two years 12-12¾ per cent; three years 12-12¼ per cent; four years 11⅞-12⅛ per cent; five years 11¾-12 per cent; nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two-day call for guilders and Swiss francs. Asian rates are closing rates in Singapore.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates.	Currency amounts against ECU January 4	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.7897	40.3563	−1.42	+1.42	±1.53
Danish Krone	7.72336	7.75003	+0.35	+0.35	±1.64
German D-Mark	2.48208	2.48041	−0.07	−0.07	±1.125
French Franc	5.84700	5.81831	−0.49	−0.49	±1.3657
Dutch Guilder	2.74362	2.74131	−0.08	−0.08	±1.512
Irish Punt	0.668201	0.672233	+0.60	+0.60	±1.668
Italian Lira	1157.79	1161.93	+0.36	+0.36	±4.08

Changes are for ECU, therefore positive change denotes a *weak currency. Adjustment calculated by Financial Times.*

OTHER MARKETS

Jan. 4	£	$		£ Note Rates
Argentina Peso	3611-3631	1615-1625	Austria	27.35-27.60
Australia Dollar	2.0140-2.0160	0.9000-0.9005	Belgium	64.15-64.65
Brazil Cruzeiro	94.33-95.33	42.15-42.60	Denmark	11.97-12.04
Finland Markka	8.25-8.26	3.6895-3.6915	France	8.98-9.03
Greek Drachma	84.743-88.759	37.95-38.15	Germany	3.82½-3.85
Hong Kong Dollar	10.966-10.986	4.9220-4.9240	Italy	1770-1885
Iran Rial	n/a	n/a	Japan	530-535
Kuwait Dinar (KD)	0.602-0.612	0.2719-0.2720	Netherlands	4.22½-4.25
Luxembourg Frc.	62.35-62.45	27.88-27.90	Norway	10.98-11.05
Malaysia Dollar	4.8620-4.8730	2.1745-2.1755	Portugal	110-117
New Zealand Dlr.	2.2520-2.2640	1.0105-1.0115	Spain	147¼-155¼
Saudi Arab. Riyal	7.46-7.56	3.3680-3.3690	Switzerland	3.51½-3.54
Singapore Dollar	4.8150-4.8260	2.1560-2.1570	United States	2.2375-2.2445
Sth. African Rand	1.8446-1.8485	0.8265-0.8270	Yugoslavia	47-49

Rate given for Argentina is free rate.

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Knowsley (051-548 6555)	14¾	½-year	1,000	1
Redbridge (01-478 3020)	14	½-year	200	2-3
Wrekin (0952 505051)	14¾	maturity	5,000	3 mths.

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	*Term shares %
Abbey National	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., a11.50 3 yrs.
Aid to Thrift	10.85	11.37	—	—
Alliance	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Anglia Hastings and Thanet	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Bradford and Bingley	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Bridgwater	10.25	10.50	12.00	12.50 5 yrs., 12.00 4 yrs., 11.60 2½ yrs.
Bristol and West	10.25	10.50	11.75	—
Bristol Economic	10.25	10.50	11.75	10.75 3 months
Britannia	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Burnley	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Cardiff	8.50	11.50	12.50	—
Catholic	10.05	10.75	11.65	— 10.95 over £5,000
Chelsea	10.25	10.50	11.75	12.50 5 years, 12.00 4 years
Cheltenham and Gloucester	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Cheltenham and Gloucester	—	11.50	—	— Premium shares including 1.00 bonus p.a. (£15,000 only)
Citizens Regency	10.25	10.85	12.05	12.85 5 yrs., 12.35 4 yrs., 11.85 3 yrs.
City of London (The)	10.50	10.80	11.80	11.85 3-yr. withdrbl. increment share
Coventry Economic	10.25	10.50	11.75	12.00 4 yrs., 11.50 3 yrs., 11.25 3 mt nt
Coventry Provident	10.25	10.50	12.50	12.00 4 yrs., 11.75 3 yrs., 11.25 2 yrs.
Derbyshire	10.25	10.50	11.75	11.01 3 months' notice
Ealing and Acton	10.25	11.00	—	11.65 2 years, £2,000 minimum
Gateway	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Greenwich	8.45	8.85	10.00	10.85 5 yrs., 10.35 4 yrs., 9.85 3 yrs.
Guardian	10.25	10.75	—	11.75 3 months, £1,000 minimum
Halifax	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Heart of England	10.25	10.50	11.75	12.50 5 years, 11.00 3 months' notice
Hearts of Oak and Enfield	10.25	10.75	12.25	12.00 4 yrs., 11.75 3 yrs., 11.50 2 yrs.
Hendon	10.50	11.00	—	12.00 6 months, minimum £2,000
Huddersfield and Bradford	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Lambeth	10.25	10.75	12.00	11.55 3 months' notice, £250-£10,000
Leamington Spa	10.35	10.60	14.19	12.55 5 yrs., 12.30 4 yrs., 11.90 3 yrs.
Leeds Permanent	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Leicester	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Liverpool	10.25	10.50	11.85	12.50 5 years, minimum £1,000
London Goldhawk	10.25	11.00	12.25	12.00 3 yrs., 11.75 2 yrs., 11.50 1 yr.
Melton Mowbray	10.35	10.60	11.75	12.10 4 yrs., 11.35 2 yrs.
Mornington	10.75	11.25	—	—
National Counties	10.50	10.80	11.80	11.90 6 mths., 11.25 3mth., min. £1,000
Nationwide	10.20	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Newcastle Permanent	10.25	10.50	11.80	12.50 4 yrs., 11.80 3 yrs., 11.50 2 yrs.
New Cross	11.00	11.25	—	—
Northern Rock	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Norwich	10.25	10.50	12.00	11.50 3 yrs., 11.25 2 yrs., min. £500
Paddington	10.00	11.00	12.50	11.75 6 months, 11.50 3 monsth
Peckham Mutual	10.50	11.25	—	—
Portman	10.25	10.50	11.75	12.50 5 yrs., 11.55 6 months' notice
Principality	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Property Owners	10.25	11.00	12.25	11.55 3 months
Provincial	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Skipton	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Sussex County	10.50	10.75	12.55	12.55 5 yrs., 12.15 4 yrs., 11.75 3 yrs.
Sussex Mutual	10.50	10.85	12.50	11.25 13.10 all with special options
Town and Country	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Walthamstow	10.25	10.60	11.70	12.60 5 yrs., 11.60 6 mths.not.min.£500
Wessex	10.50	11.20	—	12.20 6 mths. not. WDL min. 3 yrs.
Woolwich	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 2 yrs.

* Rates normally variable in line with changes in ordinary share rates.

All these rates are after basic rate tax liability has been settled on behalf of the investor.

U.K. CONVERTIBLE STOCKS 4/1/80

Statistics provided by *data STREAM International*

Name and description	Size (£m)	Current price	Terms*	Conversion dates	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Diff.♡	Cheap(+) Dear(−)◊ Current
Bank of Ireland 10pc Cv. 91-96	1.20	148.00	47.6	77-81	6.9	4.7	−8.6	−11 to −4	0.0	13.8	8.5	17.1
British Land 12pc Cv. 2002	7.71	191.00	333.3	80-97	6.4	5.3	1.4	−6 to 12	0.0	90.6	48.1	46.7
Hanson Trust 6½pc Cv. 88-93	3.38	71.00	57.1	76-81	9.4	10.9	3.5	−1 to 14	6.0	6.2	0.3	−3.3
Slough Estates 10pc Cv. 87-90	5.50	175.00	187.5	78-86	5.7		−1.8	−6 to 9	36.1	42.4	3.5	5.3
Slough Estates 8pc Cv. 91-94	24.88	94.00	78.0	80-91	8.5	8.7	26.9	21 to 32	25.3	49.0	31.9	5.1
Thorn Electrical 5pc Cv. 90-94	1.73	78.00	29.1	75-81	6.6	7.8	−0.7	−10 to 26	11.0	9.1	−2.4	−1.7
Ultramar 7pc net R.Cv.Pfd.	12.59	2.10	0.5	76-83	4.7		−4.5	−11 to 3	25.0	24.5	−0.2	4.3
Wilkinson Match 10pc Cv. 84-98	11.10	71.00	40.0	76-83	14.1	14.5	27.7	21 to 41	20.1	28.1	14.5	−13.2

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◊ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness.

Contrasting trends develop as Golds react sharply but Gilts and equities extend technical recovery

Account Dealing Dates
Options

*First Dealings	Declarations	Last Dealings	Account Day
Dec. 10	Dec. 20	Dec. 27	Jan. 7
Dec. 28	Jan. 10	Jan. 11	Jan. 21
Jan. 14	Jan. 24	Jan. 25	Feb. 4

* "New time" dealings may take place from 9.30 am two business days earlier.

Influenced by some Press views of a new initiative in the steel dispute which could lead to an early settlement, both main investment sections of stock markets extended Thursday's late technical rally. This firmness was in sharp contrast with a widespread setback in South African Gold shares and a fresh reaction in Australian and other mining issues.

As the price of bullion retreated yesterday after this week's unprecedented strength, gold shares naturally followed on a lessening of the recent desire to hedge against currencies. Heavyweight golds fell as much as 5¼ points, and smaller-priced issues showed similar relative falls. The FT Gold Mines index, as a result, gave up 22.9 of the previous two-day rise of 34.5 to close at 280.2. Turnover was again heavy but no more so than in Australian and other metal producers.

Gilt-edged securities were none too sure initially and, after opening at the higher levels attained late the previous evening, eased before moving forward again. A revived investment demand impinged on a market short of stock and a fresh squeeze developed on bear positions which brought quick results in still highly volatile conditions.

The terms of a new short tap stock, £1bn of Exchequer 14 per cent 1984 to be issued next week at a minimum tender price of 96½ payable in full, had little overall impact. When dealings resumed after the usual recess which follows a tap announcement the longs held around the day's best with gains stretching to a point and occasionally more, while the shorts were only marginally off the highest and showing rises to ⅝.

Leading shares began cautiously, awaiting a guide from the Gilt market. When the latter provided the necessary tonic, equities adopted a firm appearance although trade was spasmodic and often represented professional bear covering. After recording a gain of only 0.7 at 10.00 am, the FT 30-share index improved steadily to end a net 7.0 up at the day's best of 413.9, down 3.9 on the week.

The uncertain situation in Rhodesia brought an easier tendency in Southern Rhodesian bonds, among which the 6 per cent 1978-81 stock fell 4 points to £140.

Traded options were again dominated by Cons. Gold Fields which contributed 305 trades out of the total of 856, which was slightly above Thursday's 817. Also in demand were GEC, which attracted 127 deals, and RTZ, with 116. The short week's daily average amounted to 618, the highest for five weeks.

SASOL, a particularly firm market of late on the back of the clamour to buy mining and energy stocks, ran back 6 to 163p on profit-taking.

Banks better

Publicity given to a broker's circular helped the major clearing banks take a turn for the better. Barclays, 418p, and NatWest, 338p, firmed 6 apiece, while Lloyds improved 4 to 296p and Midland hardened a couple of pence to 332p. Bank of Scotland came in for support at 288p, up 13. Elsewhere, renewed speculative interest on bid hopes lifted Grindlays with a rise of 8 to 126p and Antony Gibbs improved 2 more to 72p as the market awaited further news of the Hong Kong and Shanghai bid approach. The appearance of a couple of buyers helped Corinthian rise 4 to 30p.

Breweries and kindred issues ended the week on a firm note although trading was again subdued. Arthur Guinness added 4 to 184p, while gains of 3 were seen in Whitbread, 129p, and Greenall Whitley, 160p.

Building issues displayed scattered improvements following a small trade. A particularly dull market of late on worries about the cost of repairs to Ronan Point, Taylor Woodrow picked up 4 to 319p, but SGB eased 3 to 213p and Wilson (Connolly) shed 5 to 170p, the last-named in a thin market.

ICI illustrated the firmer market trend with a gain of 4 to 358p in a small business. Fisons firmed 5 to 262p, but recently firm Plysu came back 3 for a two-day fall of 9 to 93p.

Ratners good

A resilient market of late, Ratners again featured stores yesterday with a jump of 8 to 58p on buying ahead of next Thursday's first-half figures; vague suggestions that H. Samuel are about to launch a bid also buoyed sentiment. The leaders moved higher in thin trading with improvements of a penny or so, but B. Paradise cheapened 2½ to 22½p on the mid-term loss. Dewhirst came on offer at 60p, down 5, and Bremner eased 3 to 50p. Stylo picked up 5 to 165p in Shoes.

Having been unsettled earlier in the week by forecasts of poor industrial growth, selected Electricals encountered "bear" closing and made useful headway although most still showed falls over the week's trading. Eurotherm, 273p, and Ferranti, 407p, added 5 and 7 respectively, while Farnell rose 10 to 228p. Electrocomponents improved 4 to 417p, but retained a fall on the week of 21. United Scientific closed 14 up at 360p, while news that Tyco Laboratories now holds about 14 per cent of the company lifted Muirhead 6 to 266p. Steady support was seen among the leaders and GEC ended 7 better at 335p. Racal advanced 15 to 190p and STC put on 8 to 238p. Thorn continued the recent recovery and added 10 to 280p, but Decca "A" remained dull at 269p, down 5.

The engineering leaders took Thursday's late rally a stage further yesterday as hopes that the steel strike might soon end prompted an initial mark-up. Follow-through buying was small, but prices held their higher levels throughout the session. Vickers were additionally helped by an investment recommendation and the close was 7 better at 106½p, while GKN retrieved 4 at 241p as did Hawker, to 182p, and Tubes, to 256p. Secondary issues generally improved with Staveley Industries closing 6 to the good at 164p and B. Elliott 5 harder at 205p. 600 Group put on 2 to 59p following Press comment, while improvements of 3 were recorded in Acrow "A," 39p, Babcock International, 100p, Baker Perkins, 83p, Johnson and Firth Brown, 38p, and Mining Supplies, 82p.

Foods made headway in a better business than of late with J. Sainsbury adding 5 to 285p and Associated Dairies improving 4 to 164p.

Wilkinson Match up

Miscellaneous industrial leaders extended the previous day's late rally, still on hopes that the steelworkers' dispute may soon be resolved. Reed International rose 6 to 169p and Unilever hardened 4 to 454p. Secondary issues were featured by a rise of 12 to 148p in Wilkinson Match on revived hopes that U.S. concern Allegheny Ludlum will bid for the 55 per cent of the shares it does not already own. ICL improved 15 to 460p on investment demand and Valor rose 5 to 64½p, while BET put on 4 to 119p. Thomas Tilling hardened 2 to 104p following an investment recommendation but Howard Tenens dipped 3½ to 62½p in reaction to adverse comment. Profit-taking after the recent good rise clipped 20 from Broken Hill Proprietary at 800p and Johnson Matthey, 230p, lost 3 of the previous day's jump of 28 for a similar reason. Elson and Robbins lost 4 to 71p as did Alpine, to 103p, and S. Simpson A, to 82p.

Certain Leisure issues attracted cheap buyers with Ladbroke, at 131p, recovering most of the previous day's fall of 5, and Coral, at 63p, improving 3.

Dunlop featured lacklustre Motor sectors, rising 4 to 56p following favourable Press comment.

Associated Newspapers, interim results expected next Friday, added 6 to 251p, while Daily Mail A rose a similar amount to 435p. Marshall Cavendish added a penny more to 19p, while fresh support was forthcoming for William Collins A, 5 up at 83p. Among Paper/Printings, takeover speculation fuelled by Press comment lifted James Cropper 12 to 100p, while DRG, 89p, and Mills and Allen, 252p, put on 4 and 7 respectively.

Properties regained a little composure after recent weakness that stemmed from interest rate worries. Land Securities improved 3 to 247p and British Land added 1½ to 57½p, while London Provincial Shop attracted a few buyers and, in a thin market, put on 4 to 228p. Laing Properties A also added 4, to 122p, while news of the successful rights issue prompted a gain of 20 to 715p in Hammerson A. Housing concerns Percy Bilton and Fairview Estates staged partial rallies from recently depressed levels, the former picking up 3 to 186p and the latter recouping 6 to 180p.

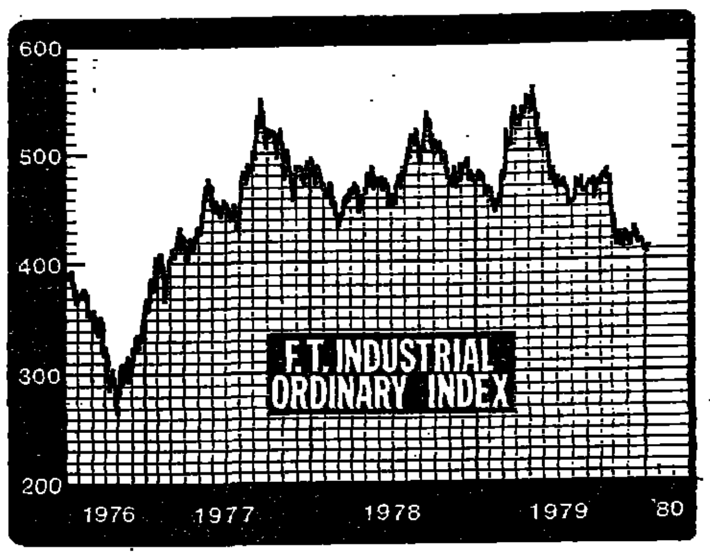
Secondary Oils firm

Although firmer throughout, interest in the Oil sector centred mainly on selected secondary issues. Aran Energy attracted a fair business and, in a thin market, put on 32 to 228p. Favourable Press comment directed attention towards Siebens (UK) which added 12 to 426p, while continued speculative buying on hopes of an outright bid from major shareholder Croda International lifted Silkolene 5 for a two-day gain of 14 to 148p, after 150p. The proposed hiving-off of the oil exploration division and the sharply increased interim dividend continued to benefit KCA International which added 2½ more to 46½p, after 47½p. Century attracted support and firmed 7 to 128p, as did Attock, 4 higher at 174p, and IC Gas, 5 better at 600p. In the leaders, British Petroleum and Shell hardened 4 apiece to 340p and 320p respectively in a limited business.

In Overseas Traders, investment recommendations lifted S. and W. Berisford 7 to 151p, and James Finlay 2 to 70p.

In Financials, support was forthcoming for stockjobbers Akroyd and Smithers, 6 better at 210p, and for Smith Bros., 2 up at 24p, the latter being aided by a useful option business.

Press comment prompted firmness in P and O Deferred, which rose 5 to 116p.



Profit taking in Golds

Mining markets sustained a sharp reversal after the heady gains of the previous two days as the bullion price fell $40 to close at $590; however, it was still $80 up on the week.

The Gold Mines index, at 270.0, gave up 22.9, leaving it with a gain of 10.2 over the week.

The heavy profit-taking in Golds evident late on Thursday evening gathered pace yesterday morning after prices had opened sharply lower. Various attempts at a rally were dashed as renewed profit-taking hit the market.

In the after-hours' business, however, strong American buying was reported as the bullion price moved through the $600 level in the U.S.

In the heavyweights, the star performer of the week, Amgold, were finally £5⅝ down on the day at £38½, after being as low as £36½ at one point, while Buffels closed £1⅝ off at £12⅝ after £12½ and Vaal Reefs £1⅛ lower at £28¼, after £27¾.

Among the medium and lower-priced issues, Blyvoor, 531p, had an initial fall of 110 cut to one of 71, while Western Areas closed only marginally easier on balance at 297p, after 273p.

Financials moved similarly to Golds. Anglo American Corporation ended 70 off at 640p, after 630p, GFSA a half-point cheaper at £28½, after £27¾, and De Beers 14 down at 470p, after 454p.

The London registered Gold Fields were heavily traded: after opening around 404p, the shares picked up to touch 420p before closing at 404p for a net fall of 4.

Platinums sustained heavy loses but closed well above the day's lows. Falls of around 20 were common to Impala, 250p, after 240p, Lydenburg, 132p, after 128p, and Rustenburg, 254p, after 240p.

Australians registered widespread losses in line with overnight domestic markets. The Ashton participants were particularly vulnerable with Northern Mining another 10 lower at 136p, still reflecting adverse Press mention "down-under."

FINANCIAL TIMES STOCK INDICES

—	Jan. 4	Jan. 3	Jan. 2	Dec. 31	Dec. 28	Dec. 27	A year ago
Government Secs.	65.09	64.50	64.61	65.10	65.49	65.46	68.42
Fixed Interest	65.94	65.43	65.61	65.93	65.99	65.99	70.29
Industrial	413.9	406.9	407.0	414.2	417.8	414.7	479.5
Gold Mines	280.2	303.1	288.5	268.5	270.0	276.4	158.5
Ord. Div. Yield	7.85	7.97	7.96	7.84	7.77	7.83	6.08
Earnings, Yld. % (full)	19.54	19.83	19.81	19.61	19.35	19.49	15.80
P/E Ratio (net) (*)	6.30	6.21	6.22	6.31	6.37	6.32	8.23
Total bargains	20,578	19,955	14,059	12,564	14,397	8,946	—
Equity turnover £m	—	98.17	85,690	40.57	42.53	39.80	53.18
Equity bargains total	—	14,787	10,584	6,106	6,900	5,911	10,808

10 am 407.6. 11 am 410.0. Noon 412.5. 1 pm 412.9.
2 pm 412.7. 3 pm 413.0.
Latest Index 01-246 8026.
* Nil=6.08.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1979/80 High	1979/80 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	75.91 (4/5)	63.30 (10/12)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	77.76 (5/5)	64.06 (15/11)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	558.6 (4/5)	406.3 (16/11)	558.6 (4/5/79)	49.4 (28/6/40)
Gold Mines	303.1 (3/1/80)	129.9 (17/4)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	Jan. 4	Jan. 3
—Daily		
Gilt Edged	132.9	112.2
Industrials	112.5	90.6
Speculative	189.8	143.7
Totals	89.1	73.9
5-d'y A'v'ge		
Gilt Edged	100.3	80.7
Industrials	73.4	56.5
Speculative	96.1	62.3
Totals	58.6	44.9

LONDON TRADED OPTIONS

Option	Ex'rcise price	January Closing offer	January Vol.	April Closing offer	April Vol.	July Closing offer	July Vol.	Equity close
BP	325	22	-	34	3	—	—	338p
BP	350	8		21	9	—	—	"
BP	360	—		—	—	26	8	"
BP	375	2		10	2	—	—	"
BP	390	—		—	—	20	21	"
BP	400	½		6	—	—	—	"
Com. Union	140	2		8	2	13	—	134p
Cons. Gold	280	135	6	143	—	155	—	413p
Cons. Gold	300	115	—	124	5	138	1	"
Cons. Gold	330	85	1	98	1	113	—	"
Cons. Gold	360	55	39	73	2	89	—	"
Cons. Gold	390	76	47	52	3	70	10	"
Cons. Gold	420	11	102	33	52	48	36	"
Courtaulds	70	3½	6	9	—	11	—	72p
Courtaulds	90	¼	—	2½	—	4	13	"
GEC	330	10	66	30	—	47	—	334p
GEC	360	1½	55	17	6	31	—	"
Grand Met.	130	—	—	10	—	15½	15	129p
Grand Met.	160	—	—	2½	—	5½	11	"
ICI	330	30	10	38	4	52	—	358p
ICI	360	4½	28	18	2	32	—	"
ICI	390	1½	—	8	2	20	—	"
Marks & Sp.	70	9	—	13	—	15	16	78p
Shell	300	24	—	34	3	—	—	319p
Shell	325	6	4	—	—	—	—	"
Shell	330	—	—	20	6	28	2	"
Shell	350	1½	15	—	—	—	—	"
Shell	360	—	—	9	2	16	—	"
Shell	375	¾	5	—	—	—	—	"
Totals			385		104		133	
		February		May		August		
EMI	140	1	10	3	—	—	—	124p
Imperial Gp.	70	5½	12	7	8	10	—	74p
Imperial Gp.	80	1½	—	3	—	5½	4	"
Racal Elec.	180	18	—	30	18	37	—	188p
Racal Elec.	200	8	13	21	—	26	—	"
Racal Elec.	220	4	53	13	—	18	—	"
RTZ	300	51	9	69	1	77	—	345p
RTZ	330	27	3	49	2	58	—	"
RTZ	360	13	33	31	3	44	65	"
Totals			133		32		69	

RISES AND FALLS

	Yesterday Up	Yesterday Down	Yesterday Same	On the week Up	On the week Down	On the week Same
British Funds	86	—	1	104	175	27
Corpns. Dom. & Foreign Bds.	24	5	37	37	52	151
Industrials	328	227	848	622	932	3,488
Financial and Property	186	51	261	290	314	1,073
Oils	19	13	10	64	40	45
Plantations	2	2	24	16	9	82
Mines	19	91	37	278	206	178
Others	30	57	74	147	145	279
Totals	694	446	1,292	1,558	1,873	5,323

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS — Fri., Jan. 4, 1980 — Thurs., Jan. 3 — Wed., Jan. 2 — Mon., Dec. 31 — Fri., Dec. 28 — Year ago (approx.) — Highs and Lows Index

FIXED INTEREST PRICE INDICES

FIXED INTEREST YIELDS British Govt. Av. Gross Red.

NEW HIGHS AND LOWS FOR 1979/80

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1979-80.

NEW HIGHS (6)

ENGINEERING (1)
Assoc. Brit. Eng.

FOODS (1)
Fisher (A.)

OIL & GAS (2)
Aran Energy, Century

MINES (2)
Silvermines, Swan Resources

NEW LOWS (56)

AMERICANS (7)
Colt Inds., Rexnord, Eaton Corp., Transamerica, Exxon, Woolworths, First Chicago

BUILDINGS (6)
Bett Bros., Galliford Brindley, Blockleys, Latham (J.), Fed. Land Bldg., Leech (Wm.)

CHEMICALS (2)
Croda Internatl., Hoechst Fin. 10pc Uns. Ln.

DRAPERY & STORES (2)
Hepworth (J.), Samuel (H.) A

ELECTRICALS (1)
A.B. Electronic

ENGINEERING (10)
Abwood, Hill & Smith, Acrow, Lake & Elliot, Beauford, Mollns, Brotherhood (P.), Ratcliffs (G.B.), Clifford (C.), Stothert & Pitt

INDUSTRIALS (17)
Airfix Inds., James (M.) Inds., Braby Leslie, Kershaw (A.), Bruntons (M'burgh), Long & Hambly, Celestion Inds., Monument, Change Wares, Pritchard Services, Emhart Corp., RTD Group, Hawkins & Tipson, Scapa, I.C. Industries, Simpson (S.) A, Inter-City

INSURANCE (1)
Combd. Ins. Amer.

LEISURE (1)
LWT A

MOTORS (2)
General Motors, Dana Corp.

PAPER (1)
Transparent Paper

SHOES (1)
Garnar Scotblair

TEXTILES (4)
Beckman (A.), Martin (A.), Highams, Youghal

TRUSTS (1)
Authority Inv.

OPTIONS

DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Jan. 7	Jan. 18	Apr. 10	Apr. 21
Jan. 21	Feb. 1	Apr. 24	May 6
Feb. 4	Feb. 15	May 8	May 19

For rate indications see end of Share Information Service

Calls were dealt in Grand Met., Lonrho, De Beers Defd., Endeavour Resources, Ashton Mining, Northern Engineering, Hestair, Dundonian, C. T. Bowring, Smith Brothers, Premier Oil, Coronation Syndicate, Town and City, Ladbroke, Coral Leisure, Consd. Gold Fields, British Land, Friedland Doggart, Poseidon and Davenports. Puts were done in Consd. Gold Fields, Loraine and Bracken Mines, while doubles were completed in Smith Brothers, Poseidon and Consd. Gold Fields.

RECENT ISSUES

EQUITIES

FIXED INTEREST STOCKS

"RIGHTS" OFFERS

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

J. Henry Schroder Wagg & Co. Ltd.
120, Cheapside, EC2. 01-588 4000

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury 0296 5941

Abbey Gilt & F.I. Tst.	96.2	102.3	+1.1	3.44
Abbey Capital	32.6	33.4	+0.5	5.84
Abbey Income	38.4	41.2	+0.4	8.91
Abbey Inv. Tst. Fund	31.8	34.3	-0.1	6.50
Abbey Gen. Trust	44.2	47.2	+0.5	5.73
Abbey Intl. Bd. Tst.	95.4	100.1	+0.2	4.92
Abbey Am. Gth. Tst.	46.3	49.0	—	3.57
Equitas Prog. Trust	63.6	68.7	+0.7	6.12

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314.

AHR Gilt & Pref.	89.5	94.2	—	13.38

Allied Hambro Group (a)(g)
Hambro Hse., Hutton, Brentwood, Essex. 01-588 2851 or Brentwood (0277) 211459

Balanced Funds

Allied 1st	68.6	73.4	+0.5	6.54
Brit. Inds. Fund	62.4	66.8	+0.4	6.74
Growth & Income	36.9	39.5	+0.3	6.36
Elect. & Ind. Dev.	33.8	36.0	+0.4	5.85
Allied Capital	68.8	73.6	+0.5	5.86
Hambro Fund	105.6	113.0	+0.9	6.50
Hambro Acc. Fund	130.3	139.4	+1.4	5.77

Income Funds

High Yield Fd.	65.0	69.6	—	10.34
High Income	63.5	67.9	+0.4	8.39
A. H. Eq. Inc.	37.9	40.6	+0.3	8.60

International Funds

International	26.7	28.6	-0.1	2.81
Pacific Fund	41.9	44.8	-1.0	2.83
Secs. Of America	56.0	59.9	-0.4	2.34

Specialist Funds

Smaller Co.'s Fd.	43.3	46.3	-0.1	5.08
2nd Smlr. Co's Fd.	52.3	56.0	+0.1	4.82
Recovery Sits.	103.4	110.6	+0.4	7.01
Met. Min. & C'dty.	51.1	54.7	-0.2	5.39

[illegible]

Discretionary Unit Fund Managers
22 Blomfield St., EC2M 7AL. 01-638 4485

Dis. Inc. Dec. 27	176.8	188.5	—	6.26

E. F. Winchester Fund Mngt. Ltd.
44, Bloomsbury Square, WC1A 2RA 01-623 8893

Great Winchester	17.6	19.3	+0.3	6.01
Gt. Winchester O'seas	19.6	21.8	—	2.52

Emson & Dudley Tst. Mngmnt. Ltd.
20, Albemarle St., W1. 01-493 3211

Emson Dudley Tst.	69.7	74.5	—	6.00

Equity & Law Un. Tr. M.♥ (a)(b)(c)
Amersham Rd., High Wycombe. 0494 33377

Equity & Law	68.1	71.6	+0.6	5.46

Fidelity International Management Ltd.
62-63, Queen St., London, EC4R 1AD. 01-248 4891

American	23.9	25.2	-0.2	1.0
Fixed Interest	24.0	25.3	+0.1	13.3
Growth & Income	25.1	26.5	+0.5	8.00
Special Sits.	24.7	26.0	+0.4	3.0

James Finlay Unit Trust Mngt. Ltd.
10-14, West Nile Street, Glasgow. 041-204 1321

J. Finlay Internat'l	26.0	28.0	—	2.40
Accum. Units	31.6	33.4	—	2.40
J. Finlay High Income	32.0	34.4	—	9.84
J. Finlay Euro. Fin.	24.0	25.8	—	3.48
Accum. Units	29.6	31.9	—	3.48
J. Finlay Fd. In. Tst.	28.3	30.4	—	5.78
Accum. Units	34.2	36.7	—	5.78

Prices on Jan. 3. Next dealing Jan. 9.

Framlington Unit Mgt. Ltd. (a)
64, London Wall, EC2M 5NQ. 01-628 5181

American	51.4	54.6	—	1.34
American Turnaround	51.2	54.4	—	2.00
Capital Tst.	47.2	50.2	-0.4	5.40
(Accum. Units)	47.2	50.2	-0.4	5.40
Income Tst.	33.4	35.4	-0.2	9.01
Int. Growth Fd.	39.8	42.2	-0.2	2.38
(Accum. Units)	42.0	44.6	-0.2	2.38

Friends' Provdt. Unit Tr. Mgrs.♥
Pixham End, Dorking. 0306 5055

Friends Prov. Units	44.0	47.0	+0.5	5.43
Do. Accum.	60.5	64.7	+0.7	5.45

Funds in Court*
Public Trustee, Kingsway, WC2. 01-405 4300

Capital Jan. 4	103.4	104.9	—	5.53

[illegible]

INSURANCE PROPERTY BONDS

[illegible]

OFFSHORE & OVERSEAS FUNDS

[illegible]

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Public Board and Ind.

Financial

High	Low	Stock	Price	+ or –	Int.	Red.
103¼	96	FFI 13pc 1981	97¼	+¼	13.37	15.89
108¼	94	Do. 14pc '83	94¾	–¼	14.78	15.88
86½	77½	ICFC 5½pc Deb. '80-82	80¾	......	6.95	15.25
85	69	Do. 6¼pcDb. '81-84	71½	......	8.87	14.88
99	79½	Do. 10½pc Uns.Ln. '86	80½xd	......	13.04	15.60
99	79	Do. 11pc Uns.Ln. '88	80xd	......	13.75	14.90
101½	80	Do. 11¾pc Uns.Ln. '90	82xd	......	14.32	15.30
72½	54½	Do. 7¼pcADeb. '89-92	56	......	13.17	15.30
69	53	Do. 7¼pcA Db. '91-94	56	......	13.52	15.20
67½	64	Do. 9pc 'A' '91-94	67	......	14.03	15.20
79½	61½	Do. 8⅞pcLn. '92-97	64½	......	14.64	15.30
102	85	Do. 12½pc. Uns. Ln. 1992	88½	......	14.57	—

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS AND HIRE PURCHASE

High	Low	Stock	Price	+ or –	Div. Net	Cvr	Y'ld Gr's	P/E
224	121	Com'l Aus. ($A1)	131	......	Q18c	3.0	7.0	4.7
£174	925	Com'zbk DM 10%	925	......	Q26.5%	—	7.7	—
£18½	900	C'hgn.Hbk.Kr100	975	......	Q12%	—	11.4	—
41	20	Corinthian 10p	30	+4	†1.05	5.9	5.0	3.5
£24¾	£15	Cred. France F75	£18½	......	Q9.87%	—	3.5	—
11	5	Dawes (G. R.)	9	......	—	—	—	—
*£119½	£62½	Deutsche Bank DM50	£65¾	......	Q28.12%	—	5.6	—
90	55	F. C. Finance	58	......	2.2	4.9	5.4	5.4
10¼	5¼	First Nat. 10p	10	+¾	—	—	—	0.7
4	1½	Do. Wrrts. 75-83	2¾	......	—	—	—	—
266	178	Gerrard Natnl.	204	......	†9.12	—	6.4	—
74	38	Gibbs (A.)	72	+2	2.2	—	4.4	—
270	185	Gillett Bros. £1	190	......	†16.95	—	12.7	—

BANKS & HP—Continued

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

CHEMICALS, PLASTICS—Cont.

DRAPERY AND STORES

ELECTRICALS

ENGINEERING MACHINE TOOLS

ENGINEERING—Continued

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

FINANCIAL TIMES

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MINES—Continued

CENTRAL AFRICAN

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
560	132	Falcon Rh.50c.	560	......	Q100c	φ	12.3
48	11	Rhod'n Corp. 16½p.	46	−1	0.56	6.5	1.7
255	70	Roan Cons. K4	250	−5	Q0.125	φ	3.0
67	26	Wankie Col. Rh.1	61	−1	Q9c	1.5	10.2
54	9	Zam.Cpr.$BD0.24	50	−1	—	—	—

AUSTRALIAN

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
28	18	Acmex 50c.	23	−2	—	—	—
17	4	ACM 20c.	14	−3	—	—	—
82	50	Bond Corp.	80	......	Q3.75	2.2	2.4
171	100	Bougainville 50 Toea	143	−3	†Q15c	1.0	5.5
218	84	BH South 50c.	209	−9	◆—	—	—
£17¾	340	Central Pacific	£16	−1	—	—	—
318	170	Conzinc Riotinto 50c.	248	−2	NQ10c	2.0	2.1
36	14	Cultus Pacific N.L.	21	......	—	—	—
*32	2½	Eagle Corp. 10c.	32	......	—	—	—
21½	11	Endeavour 20c.	19	−1	—	—	—
204	62	G. M. Kalgoorlie 25c	192	−12	Q3c	—	0.8
305	148	Hamptn Areas 5p.	275	−5	3.5	2.8	1.8
75	20	Haoma Gold N.L.	32	−4	—	—	—
71½	25	Metals Ex. 50c.	46	......	—	—	—
238	134	M.I.M. Hldgs. 50c.	230	−3	hQ16.1c	1.8	3.6
25	15	Minefields Expl.	20	......	—	—	—
78	30	Mount Lyell 25c.	63	−5	—	—	—
44	13	Newmetal 20c.	25	+1	—	—	—
167	91	††North B. Hill 50c.	144	−4	Q12c	1.4	4.3
53	4½	Nth. Kalgurli	48	−5	—	—	—
165	45	Nth. Mining Corp.	136	−10	—	—	—
71	18	N. West Mining N.L.	26	−4	—	—	—
193	76	Oakbridge $A1	186	−7	Q12c	4.7	3.4
110	22	Oilmin N. L.	102	+4	—	—	—
128	58	Pacific Copper	121	−7	—	—	—
*585	101	Pancont'l 25c	330	+5	—	—	—
71	15½	Paringa M&Ex.5p	66	−5	—	—	—
450	248½	Peko-Wallsend 50c.	420	−20	†Q17.5c	φ	2.2
202	125	Seltrust A	174	+4	—	—	—
715	145	Southern Pacific	660	−40	—	—	—
*38	8½	Swan Resources 20c.	38	+1	—	—	—
16	12	West Coast 25c	13	......	—	—	—
205	121	Westn. Mining 50c.	180	−4	Q7c	1.6	2.1
23	8	Westmex	20	......	—	—	—
70	40	Whim Creek 20c.	60	−3	—	—	—
25	10½	York Resources	10½	......	—	—	—

TINS

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
30	23	Amal. Nigeria	27	......	1.0	1.9	5.3
435	265	Ayer Hitam $M1.	285	+5	Q290c	0.9	22.8
72	48	Beralt Tin	49xd	......	4.5	φ	13.1
270	155	Berjuntal $M1.	170	+5	Q95c	1.0	13.0
190	125	Geevor	153xd	......	8.71	3.1	8.1
10½	8	Gold & Base 12½p.	10	......	—	—	—
365	295	Gopeng Cons.	310	......	Z17.0	φ	7.8
370	289	Hongkong	300	......	35.87	φ	17.1
98	64	Idris 10p	90	......	†8.0	1.6	12.7
15	9½	Jantar 12½p.	15	......	—	—	—
95	38	Kamunting $M0.50.	64xd	......	Q47½c	1.1	16.7
620	210	Killinghall $M1	300	......	ZQ60c	—	4.5
530	365	Malay Dredging $M1	510	+25	†Q105c	2.6	4.6
57	26	Pahang	27	......	0.44	0.3	2.4
123	60	Pengkalen 10p	108	......	Z4.0	φ	3.4
275	195	Petaling $M1.	230	......	Q150c	φ	14.6
87	53	Saint Piran	57xd	......	‡2.5	6.4	‡
58	34	South Crofty 10p.	42xd	......	‡3.0	2.0	‡
230	170	South Kinta $M0.50.	195xd	+15	Q150c	1.0	17.3
430	285	Sthn Malayan $M1.	355	+15	Q175c	2.1	11.1
310	210	Sungei Besi $M1.	230xd	+5	†Q520c	1.0	50.8
75	25	Supreme Corp. $M1.	28	......	ZQ10c	—	7.7
105	93	Tanjong 15p	97	......	7.5	0.7	11.0
115	90	Tongkah H. Tin	95	......	Q45c	1.3	10.6
280	190	Tronoh $M1	225	+5	†Q25c	5.2	2.5

COPPER

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
142	56	Messina R0.50	136xd	−6	Q10c	φ	4.2

MISCELLANEOUS

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
81	54	Barymin	62	......	—	—	—
14½	10	Burma Mines 17½p	12	......	—	—	—
380	170	Cons. Murch. 10c.	365xd	−15	Q100c	φ	15.7
470	280	Northgate C$1	460	−10	—	—	—
362	226	R.T.Z.	340	−12	†11.5	3.4	4.8
31	12	Robert Mines	17	+1	—	—	—
65	26	Sabina Inds. C$1.	36	+2	—	—	—
880	470	Tara Exptn. $1	520	+20	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distributions and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- φ Figures or report awaited.
- †† Unlisted security.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ◆ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ◆ Excluding a final dividend declaration.
- ♣ Regional price.
- ‖ No par value.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

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REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Stock	Price	+ or −	IRISH	Price	+ or −
Albany Inv. 20p	26	......			
Bertam	16	......			
Bdg'wtr. Est. 50p	345	......	Conv. 9% '80/82	£85¼	......
Clover Croft	35	+3	Nat. 9¾% 84/89	£69xd	......
Craig & Rose £1	£10½	......	Fin. 13% 97/02	£82⅛	......
Dyson (R. A.) A	7	......	Alliance Gas	66	......
Fife Forge	43	−1	Arnott	340	......
Finlay Pkg. 5p	19	......	Carroll (P.J.)	51xd	......
Graig Ship. £1	825	+25	Clondalkin	83	......
Higsons Brew	78	+3	Concrete Prods.	88	......
Holt (Jos) 25p	255	+5	Heiton (Hldgs.)	31	−2
I.O.M. Stm. £1	160	+5	Ins. Corp.	200	......
Pearce (C. H.)	355	......	Irish Ropes	72½xd	......
Peel Mills	29	......	Jacob	35	......
Sheff. Refrshmt	98	......	T.M.G.	135	+3
Sindall (Wm.)	165	......	Unidare	80	......

OPTIONS
3-month Call Rates

Industrials					
A. Brew	8	I.C.I.	20	Tube Invest.	27
BOC Intl.	6	"Imps"	8	Unilever	40
B.S.R.	5	I.C.L.	45	U.D.T.	4
Babcock	12	Inveresk	5	Utd. Drapery	10
Barclays Bank	30	KCA	3½	Vickers	18
Beecham	13	Ladbroke	17	Woolworths	6½
Blue Circle	25	Legal & Gen.	14	**Property**	
Boots	17	Lex Service	11	Brit. Land	7
Bowaters	16	Lloyds Bank	24	Cap. Counties	9
B.A.T.	25	"Lofs"	3½	Land Secs.	25
Brown (J.)	7½	London Brick	6	MEPC	17
Burton 'A'	25	Lonrho	6	Peachey	13
Cadburys	5½	Lucas Inds.	20	Samuel Props.	14
Courtaulds	8	"Mams"	15	Town & City	2
Debenhams	8	Mrks. & Spncr	10	**Oils**	
Distillers	21	Midland Bank	30	Brit. Petroleum	35
Dunlop	6	N.E.I.	5	Burmah Oil	15
Eagle Star	14	Nat. West. Bank	28	Charterhall	5
E.M.I.	12	P & O Dfd.	10	Premier	4
Gen. Accident	21	Plessey	10	Shell	30
Gen. Electric	35	Racal Elect.	22	Ultramar	22
Glaxo	40	R.H.M.	4½	**Mines**	
Grand Met.	13	Rank Org.	18	Charter Cons.	16
G.U.S. 'A'	30	Reed Intnl.	17	Cons. Gold	32
Guardian	23	Sears	5½	Rio T. Zinc	26
G.K.N.	22	Spillers	4½		
Hawker Sidd	16	Tesco	7		
House of Fraser	14	Thorn	35		
		Trust Houses	14		

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES

Saturday January 5 1980

MAN OF THE WEEK

Thrust into power

BY DAVID TONGE

SOME MEN are born great, some achieve greatness and some have greatness thrust upon them. It is hard to fit Mr. Babrak Karmal, the new President of Afghanistan, into even the third of these categories. But he is with us now. For years he used to berate Britain for the rulers it had foisted on his country—at the time of the Great Game, Kipling's Kim and Roberts of Kandahar. Now Mr. Karmal's own coming has been with the force of arms. If calm has fallen on Kabul, it is uneasy, partial and no reflection of the mood in the mountains.

From Mr. Karmal's earliest days at Kabul university those who knew him questioned his devotion to what the West calls nationalism. But of his loyalty to Marxist "internationalism," there has never been any doubt. This loyalty caused his student days to be interrupted with a prison term for agitation. It was part and parcel of his articles and speeches in the 1960s. And it was evident in

Babrak Karmal
Bright but devious

the way that, while Western diplomats could never tempt him to their Kabul embassies, he was often to be found in the chancelleries of the Communist bloc.

He is remembered for being bright but devious as a student. It is a reputation which has stuck with him. He supported Mohammad Daoud's overthrow of the King in 1973 and Nur Mohammad Taraki's overthrow of Daoud in 1978. He then split with Taraki.

He probably had little to do with last September's overthrow of Taraki by Hafizullah Amin, a man now denounced by Moscow as a CIA agent. But when the time came for the Christmas coup against Amin, Mr. Karmal was sitting on the sidelines in Russia, ready to be flown in.

The tasks facing the 50-year-old Mr. Karmal are formidable. The Soviets are running the country and Mr. Karmal has responsibility without authority. Further, he has come to office in the one way guaranteed to unite most Afghanis against him.

Even before the coup, his following was limited. His reputation is as a charismatic student leader and as an orator who dominated the admittedly ineffective assembly in the eight years up to 1973 when he represented Kabul. But those who have met him remember him as amiable but basically quiet.

It is a measure of his ability to work with the powers that be that when his Parcham (banner) group broke away from Taraki's Khalq (people) group in 1967, Mr. Karmal's followers were quickly nicknamed the Royal Afghan Communist Party.

The Kabul-born son of a general, he has never attracted much following outside the students and urban elite. His own followers sought to fly the flag in the provinces during Daoud's rule but quickly provoked the reaction that intellectuals tend to cause in traditionalist areas. His backing in the armed forces suffered when Taraki carried out his purge of the armed forces after Mr. Karmal's "plot."

Many centuries have passed since Afghanistan was called "the light garden of the angel king." The more rugged visitor might agree with this but foreign armies never have. For the moment, Mr. Karmal at least has the reassurance that his problems are also those of the Soviet Union. But the Afghanis "fight foreigners when possible, each other if necessary," according to a former U.S. ambassador to Kabul. In Eastern Europe those other figures installed like Mr. Karmal, Gustav Husak and Janos Kadar, have survived respectively 11 and 23 years. Their example is unlikely to hold in the Hindu Kush where the three last presidents have hung on for an average of two years each.

Patriotic Front troops assemble in camps

BY MARK WEBSTER IN SALISBURY

Patriotic Front guerrilla forces were last night assembling in increasing numbers, with more than half the British total estimate of 16,000 reported to be in camps five hours before the Rhodesia ceasefire deadline expired at midnight.

Yesterday's rapid build-up of guerrilla forces encouraged hopes that the majority will report even if they do so after the ceasefire deadline.

British officials yesterday emphasised that there would be no formal extension of the ceasefire and that all guerrillas who were outside assembly places at midnight would be held to be "unlawful."

But officials stressed that those outside would be treated "sensibly" suggesting that the assembly process may continue informally over the next few days.

Up to yesterday evening, more than 9,000 guerrillas had been accounted for. Of those, 6,000 were members of Mr. Mugabe's ZANU wing, and the remaining 3,000 are loyal to Mr. Joshua Nkomo's ZAPU.

Both wings have asked for an extension to the ceasefire deadline, to allow their men to come in from the bush. They argue that communications in the field are poor, and that it takes time for their froces to trust the Commonwealth monitoring force.

The office of Lord Soames, the British Governor, has firmly denied that there will be any formal extension to the ceasefire deadline."

The Governor cut short a visit to the town of Bulawayo to be in Salisbury for the vital hours after the deadline comes into effect.

A possible compromise, not involving a formal cease-fire extension, was suggested by Lt.-Col. Les Hubble, who is responsible for monitoring Patriotic Front forces in the North-Eastern military area.

"You cannot just cut the thing off at midnight and say that everyone is totally unlawful and subject to police action," he said.

"If people are moving in a peaceful and orderly way and it is obvious that they are making their way peacefully to the rendezvous area they will be given safe passage. If, on the way, they break the law the police will have to take action."

The success of such an approach depends on continued restraint by the Rhodesian security forces who make no secret of their anxiety over the poor internal security situation which they blame on the guerrillas.

In one of the worst acts of political violence so far in the fledgling election campaign, a rifle-launched grenade was fired through the window of a ZANU member's house, injuring the man's wife and causing considerable damage.

The weekend promises to be a busy one for most of the political parties, despite the decision by Mr. Mugabe and Mr. Nkomo to postpone their returns, planned for today and tomorrow, at Lord Soames's request.

Bishop Abel Muzorewa the outgoing Prime Minister, is holding a big rally in Salisbury to make the start of his campaign. ZAPU is holding a rally in Bulawayo, the main centre of Patriotic Front support, at which it expects to attract a very large crowd.

Steel industry awarded £8m. Euro-aid package

BY GILES MERRITT IN BRUSSELS

THE EUROPEAN Commission has awarded almost £8m of special aid funds to the British Steel industry.

But Commission officials emphasised in Brussels last night that the soft loan package is unconnected with the UK steelworkers' strike, and the Commission has been careful to avoid making any comment on the dispute.

The finance is part of the European Coal and Steel Community (ECSC) programme for helping the training and re-settlement of steelworkers affected by closures or short-time working.

Under the latest grants, Britain is to receive 11.87m European units of account (about £7.8m), while French steelworkers, also hit by restructuring throughout the EEC's steel sector, will benefit by about £6m in ECSC aid.

The latest ECSC loans are, in effect, refunds of levies paid by EEC steel producers and carry a nominal 1 per cent interest charge over 20 years.

The also include a much larger 55m ECU grant being made available to help the rehousing of coal and steel workers throughout the EEC.

The UK will receive comparatively little of that amount, with around £46,000 being divided between small projects in Cleveland, Sheffield, Scunthorpe, and South Wales.

Britain has, nevertheless, emerged as a major beneficiary of ECSC programmes in recent years.

Up to the beginning of last year, the UK steel industry had received loans of almost 600m ECU, while financial assistance in other related areas, such as coal and iron ore mining, boosted Britain's total ECSC receipts to over 1,100m ECU.

In all, since 1973, over 60,000 workers in Britain's coal and steel industries are calculated to have benefited from ECSC funding.

Carlisle emphasises need for basic national school curriculum

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

THE Government's determination to start the 1980s by developing a framework of basic studies to be taught in all state schools was emphasised by Mr. Mark Carlisle, Education and Science Secretary, at the North of England Education Conference in Durham yesterday.

At present, with the exception of a small amount of loosely defined religious study, head teachers and their staff are largely left to decide what is taught.

This delegation of responsibility was generally right, Mr. Carlisle said, and the Government would consult representatives of teachers, local authorities and other relevant groups in seeking agreement on a curricular framework of basic studies to be taught in all schools.

But the Education Secretary emphasised that he and his fellow Ministers had "an inescapable duty" to satisfy themselves that the work of the schools as a whole matched national needs.

A "crisper, more direct approach to management" was needed at all levels of the education system.

He believed that all children should study English and mathematics throughout their 11 years of compulsory schooling.

All should receive tuition in the methods and applications of science.

In some of these subjects, and in others such as crafts, design and technology, there were shortages of adequately qualified teachers, Mr. Carlisle added.

But he believed that the shortages could be overcome in spite of the Government's spending cuts.

"Within the amounts of public money available for education—and they still represent a large slice of public expenditure—there is room for initiatives that will develop a better education system," he said.

Hogg Robinson woos H. Clarkson (Hldgs)

BY JOHN MOORE

HOGG ROBINSON Group, the insurance broker with large Lloyd's of London interests, may take over the insurance interests of H. Clarkson (Holdings) in a deal which could be worth more than £6m.

The discussions between the two groups mark another change in the UK insurance broking community. Many medium sized insurance brokers are seeking to merge with other companies to compete with and protect their positions against the growing might of the very large insurance brokers.

Insurance broking contributed £10.8m to H. Clarkson (Holdings) total turnover of £22.4m in the group's last financial year, ending December 31, 1978. Profits were nearly £2m compared with £1.7m in the previous year.

Hogg Robinson is understood to have been involved in talks with Clarkson before Christmas.

There was speculation yesterday that its possible merger with H. Clarkson's insurance interests might be a prelude to a link up with a U.S. broker.

Already, many of Hogg Robinson's UK competitors have established formal links with major U.S. insurance brokers.

H. Clarkson's insurance and shipbroking interests were once part of Shipping Industrial Holdings.

Shipping Industrial was taken over for £88m in 1973 by a consortium headed by Mr. Boris Vlasov's group of companies and Capitalfin International, a major international investment group.

The insurance interests and shipbroking interests were subsequently hived off into a separate company, H. Clarkson (Holdings), with Capitalfin retaining a 75 per cent shareholding in the company.

H. Clarkson insurance interests have become involved in the tortuous affairs of the Sasse underwriting syndicate, which is facing £20.2m of losses at Lloyd's.

In its role as an underwriting agent, Clarkson had introduced several members to the Sasse syndicate.

In his last chairman's statement, Mr. Carron Grieg said that the company "has been playing an active part in the market efforts to reduce the ultimate losses of the names concerned."

H. Clarkson and Company (Agencies) has since become caught up in the legal action which has been launched against Lloyd's and a number of underwriting agency companies by members of the syndicate who are disputing their liabilities.

Continued from Page 1

Carter

senior official, Mr. Matthew Nimetz, had left for Turkey to press once again for an agreement to cover the future of the bases there—and would proceed to Yugoslavia to discuss its arms and security needs.

Dr. Harold Brown, Defence Secretary, left Washington on a visit to Peking. Although the U.S. has no intention at present of selling arms to China, the Pentagon said Dr. Brown will be discussing the Afghan invasion, ways of strengthening Pakistan's defensive capability and, possibly, any assistance China might offer the Afghan insurgents via Pakistan or its own small and mountainous border with Afghanistan.

While preparing this retaliatory action—and with the war of words between Moscow and Washington rising in vitriol — the State Department doggedly insisted yesterday that the Strategic Arms Limitation Treaty with the Soviet Union was not dead, only merely withdrawn. As long as the Soviet Union complied, the U.S. would continue to abide by the overall ceilings laid down by the now-expired SALT one agreement and those parts of the SALT two treaty which would be applicable if the pact were in force.

Mr. Hodding Carter repeated that both sides "should refrain from acts which would defeat the object and purpose of the SALT two treaty."

Gilmour seeks EEC budget compromise

By Philip Rawstorne

THE GOVERNMENT intends to seek a substantial increase in Britain's receipts from the EEC in an effort to secure an early compromise solution to its Common Market budget problem.

Sir Ian Gilmour, Lord Privy Seal, begins the quest tomorrow when he leaves London on a tour of European capitals for talks with EEC Governments.

The Deputy Foreign Secretary will meet Sig. Francesco Cossiga, the Italian Prime Minister and President of the Community, in Rome on Monday.

He will then visit The Hague and Luxembourg in the next two days.

Over the next three weeks, his itinerary will include Dublin, Brussels, Bonn, Paris and Copenhagen.

Sir Geoffrey Howe, the Chancellor, is also expected to reinforce the Government's effort to get a general agreement from Britain's partners that would enable the budget issue to be resolved at a special summit next month.

Sir Geoffrey is to visit The Hague next week and may also go to other European capitals before the end of the month.

The Government's renewed attempt to achieve a substantial reduction in its £1bn budget contribution is expected to show a distinct change in style from the abrasive approach adopted by Mrs. Margaret Thatcher at the Dublin summit.

Though the Government's aim remains formally to secure a broad balance between payments and receipts, there is a more obvious readiness to accept a compromise solution.

Ministers emphasise that it would have to be a "genuine compromise" that would be acceptable to British public opinion; and there is no intention of involving fish or oil supplies in the bargain.

But great stress is being laid on the need to preserve EEC unity and there is a noticeable reluctance to revive any hint of the threats of disruption against the Community.

The Government has apparently decided that there is little hope of obtaining further reductions in Britain's payments to the EEC beyond the £350m offered at Dublin through adjustments to the financial mechanism.

Sir Ian's main task will be to persuade the EEC Governments to improve Britain's position by increasing the country's receipts from the Common Market

Weather

UK TODAY

RAIN, some sunshine in South. London, S.E., Cent. S. and S.W. England, Channel Isles, S. Wales

Showers, sunny intervals. Local gales. Max. 6C-8C (43F-46F).

E. Anglia, E. Midlands, E., N.E. and Cent. N. England, Borders, Edinburgh, Dundee, Cent. Highlands

Rain, snow on hills, cold. Max. 2C-4C (36F-39F).

W. Midlands, N. Wales, N.W. England, Lakes, I. of Man, S.W. and N.W. Scotland, Glasgow, Argyll, N. Ireland

Rain, snow on hills, gale. Max. 3C-5C (37F-41F).

Aberdeen, Moray, N.E. Scotland, Orkney, Shetland

Rain, local gales. Max. 4C-5C (39F-41F).

Outlook: Sunny intervals, rain later.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	C	10	50	Locarno	F	2	36
Algiers	S	17	63	London	F	9	48
Amsdm.	C	1	34	Luxmbg.	R	—1	30
Bahrain	S	19	66	Luxor	F	22	72
Barclna.	S	11	52	Madrid	S	6	43
Beirut	S	19	66	Majorca	S	14	57
Belfast	F	5	41	Malaga	S	15	59
Belgrd.	F	—5	23	Malta	F	11	52
Berlin	F	—6	21	Mchstr.	S	6	43
Biarritz	F	14	57	Melbne.	C	18	64
Bmghm.	S	7	45	Mex. C.	S	12	54
Blackp'l	S	7	45	Milan	F	2	36
Bordx.	C	11	52	M'ntreal	S	—7	19
Boulgn.	R	8	46	Moscow	Sn	—6	21
Bristol	F	9	48	Munich	F	—4	25
Brussels	R	3	37	Nairobi	S	25	77
Budpst.	S	—4	25	Naples	S	4	39
B. Aires	S	26	79	Nwcstl	S	7	45
Cairo	S	20	68	N. York	C	—4	25
Cardiff	F	9	48	Nice	F	7	45
Casbca.	S	16	61	Nicosia	C	15	59
Cape T.	R	20	68	Oporto	C	11	52
Chicago	C	—2	28	Oslo	F	—14	7
Cologne	R	1	34	Paris	C	6	43
Cpnhgn.	F	—4	25	Perth	S	32	90
Corfu	F	6	43	Prague	S	—5	23
Dublin	F	7	45	Rekjvk.	S	2	36
Dbrvnk.	S	0	32	Rhodes	F	12	54
Ednbgh.	S	5	41	Rio J'o	C	25	77
Faro	S	14	57	Rome	F	5	41
Florence	F	2	36	Salzb'g	S	—4	25
Frankf't	Sl	0	32	Singapr.	S	30	86
Funchal	C	18	64	Stckhm.	Sn	—7	19
Geneva	C	0	32	Strasbg.	C	0	32
Gibrltr.	S	15	59	Sydney	R	24	75
Glasgow	F	6	43	Tangier	S	15	59
G'rnsey	F	9	48	Tehran	S	4	39
Helsinki	S	—9	16	Tel Aviv	S	19	66
H. Kong	S	20	68	Tokyo	C	13	55
Innsbr'k	C	—7	19	Toronto	C	—9	16
Invrnss.	S	6	43	Tunis	C	13	55
I.o.Man	S	7	45	Valencia	S	14	57
Jersey	R	9	48	Venice	S	1	34
Jo'burg	C	25	77	Vienna	S	—1	30
L. Plms.	S	19	66	Warsaw	C	—5	23
Lisbon	S	8	46	Zurich	Sn	—1	30

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

THE LEX COLUMN

Cooling down the yellow fever

By any conventional standards, gold is wildly overvalued. This applies whether the price is measured in paper money or against other tangible assets. For instance, one ounce of gold has been worth the equivalent of about 20 bushels of U.S. wheat for much of the post-war period. A year ago it was up to 60 bushels, and it has almost doubled against the wheat price since then.

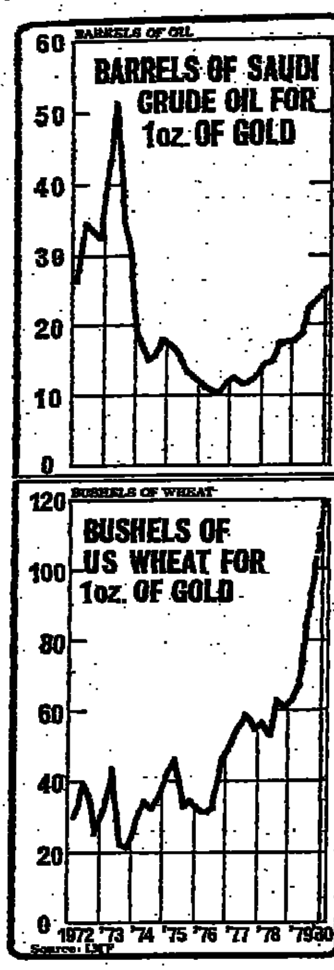
Even when measured against the price of oil, which has risen sharply in real terms over the last decade, gold looks expensive. In the 1960s, an ounce of gold would buy you about 20 barrels of oil. Just before the Yom Kippur war in 1973, when oil was still regarded as just another commodity but gold had already started its long upward climb, there was a brief period when an ounce was worth around 50 barrels. Then OPEC changed the rules of the game. Gold came back to the equivalent of about 10 barrels—and today is up to something like 25.

But in a wild bull phase, such measures of current value are not very relevant. This is especially true of the market in gold bullion, which is tiny when compared with other international homes for investment funds. The average price last year was around $305, and at that level the amount put into gold for strictly investment purposes could have been worth something like $6bn—give or take a billion of two. That, of course, would be by far the largest figure ever recorded. By contrast something like $19bn was put into new international bonds alone in 1979.

The flight into gold has been triggered at least partly by the growing conviction among some very large international investors that whatever its volatility over the short term, gold will act as a store of value over the very long haul. OPEC's current account surplus in 1979 could have been over $50bn, and will certainly be very much greater in the current year. When the numbers are so big, it need only take a marginal shift in portfolio strategy to have an enormous impact on the price of gold.

There is no way of guessing where the bullion price could go over the coming months. A further deterioration in the world's political scene might well send it shooting higher, whereas a period of stability could bring a rush for the exit. But when the price of a commodity makes the front page of all the papers, as happened with gold this week, the short-term peak is often not all that far away. And when the turn does eventually come, those private investors who cannot afford to take a long-term view could be in for a pasting.

Index rose 7.0 to 413.9



Gilt-edged

The first tap stock of the 1980s has not been long in coming. Yesterday afternoon the announcement of Exchequer 14 per cent, 1984, performed the traditional function of dampening enthusiasm for other issues in the 1984-86 region. The authorities seem anxious to place an obstacle in the way of any fall in yields that might result from enthusiasm over next Tuesday's banking figures, which cover the month to mid-December and might be quite encouraging.

The important banking figures, after all, will be January's, and it is too early to be sure that they will not prove disappointing. Sales of gilt-edged stock have been quite low in the month so far (it ends on January 16), and the year-end bank interest debits, boosted by 17 per cent Minimum Lending Rate, may not be offset by seasonal adjustment. Most worryingly, tax payments seem to be coming in rather later than expected, so that the Government's borrowing needs are still high.

The new stock will also help to re-finance Treasury 9 per cent Convertible, 1980, which matures in March and which the Government broker is already beginning to buy in from the banking sector. Holders of this stock do have the option to convert each £100 nominal into £110 of Treasury 9 per cent 2000—a dreadfully bad deal at the moment, as £110 of the 2000 stock would only be worth around £75.

It would be unfortunate if private investors were to accept the conversion terms unthinkingly, and it is at least arguable that the Bank of England should have taken more trouble to indicate the likely value of the 2000 stock. The Bank is not actually trying to swindle anybody. The official line is that uncertain holders should consult their professional advisers. This is unnecessary; the conversion offer should simply be avoided at all costs.

RHM

The annual report of Ranks Hovis McDougall shows the company at a delicate stage. The return on capital employed last year was again less than 10 per cent, and the inflation-adjusted attributable profits work out at a mere £3.2m on sales of £1.4bn, while the dividend costs £10m.

Despite the low earnings, borrowings were kept under control in 1978/79, partly by reducing stocks, which fell £11m to £117m. RHM may be hoping to rebuild grain stocks at lower prices: the harvest was good and high interest rates may force farmers to sell cheaply. Unfortunately the fall in stocks brings a £2.6m clawback of deferred tax.

This year profits are likely to rise by £8m or so, largely thanks to the absence of a bread strike. But working capital needs are also liable to grow, and there will be little more internally generated cash available for fixed asset spending than there was in 1978/79. RHM is unlikely to want its debt to increase, but badly needs to spend more on plant modernisation; as a result, some asset sales may be in the offing.

Perhaps next year the more respectable returns from the baking interests will leave RHM feeling able to publish a breakdown of profits by division. The absence of such a breakdown is a little more conspicuous every year and does the company's rating no good at all.

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